23 August 2018

MOUNTING PORPHYRY-SKARN DEVELOPMENTS AT RIQUEZA

HIGHLIGHTS

- Canadian-listed company Lara Exploration publishes porphyry-skarn model for their Puituco Project, adjacent to Great Riqueza Project (**Riqueza**)
- Lara's Puituco Project is also adjacent to BHP's Kenita Project
- Approximately half the geophysics targets at Riqueza are porphyry-skarn related

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Inca Minerals Limited (**Inca** or the **Company**) is aware of neighbouring exploration activities by Canadian-listed company Lara Exploration (**Lara**) that refer to and positively impact on Inca's own recent geophysics and Inca's Riqueza Project[1] (Figure 1).

Lara reports that its 400ha Puituco project hosts zinc and lead-bearing mantos in Cretaceous-aged Jumasha Formation limestones that are cut by NE-SW orientated structures and Tertiary-aged intrusives related to the NW-SE oriented Chonta Fault. Similarly, Inca's Humaspunco Prospect hosts mantos [and veins] within Jumasha Formation limestones that are traversed by mineralised NE-SW structures (including the Callancocha Structure) which in turn are related the NW-SE Chonta Fault (ASX announcements 14 May 2018 and 30 July 2018).

In the July Release, Lara states "*the vertical orientation of the mineralization and its relationship with the intrusives, indicates potential for the presence of additional mantos deeper in the sedimentary sequence and for a larger porphyry intrusive at depth driving the system*".

"Lara believes that the mantos and NE-SW mineralised tension structures at Puituco are driven by a porphyry system" says Inca's Managing Director, Mr Ross Brown. "We have mantos and NE-SW mineralised tension structures. We have the same Jumasha Formation. We also have known intrusives, known porphyry-related epithermal mineralisation, gold, silver, copper as well as zinc and lead and … importantly, the recent geophysics results backs it all up."

Lara portrays the geological setting of Puituco by way of a schematic north-south section in their July Release (unmodified as Figure 2). It is very similar to the geological setting of Riqueza, which shows how Humaspunco-Pinto, Uchpanga, Colina Roja, Pampa Corral and Alteration Ridge Prospects relate to each other (Figure 3).

The relevance of Lara's exploration is clear – it is adjacent to and along strike with Riqueza and within the mineralised NW-SE trending Chonta Fault System. Shared project-scale geology links the two projects within this regional-scale mineralised tapestry. The Chonta Fault System is vividly expressed in Inca's preliminary geophysical interpretations, which includes numerous targets and new NW-SE trending structures (ASX announcements 4 July 2018 and 30 July 2018). Multiple faults and structure-related geophysical targets trend NW-SE connecting the Puituco-Kenita Project to the Riqueza Project.

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[1] "*Lara Channel Samples 4.65% Zinc and 4.86% Lead over 42.6 Metres at its Puituco Project in Central Peru*" www.laraexploration.com/news/2018/lara-channel-samples-4.65-zinc-and-4.86-lead-over-42.6-metres-at-its-puituco-project-in-central-peru/ of 12 July 2018 (**July Release**) and "Lara Exploration Puituco Presentation" www.laraexploration.com/site/assets/files/1459/18-06-11_puituco_presentation.pdf of June 2018 (**June Release**).

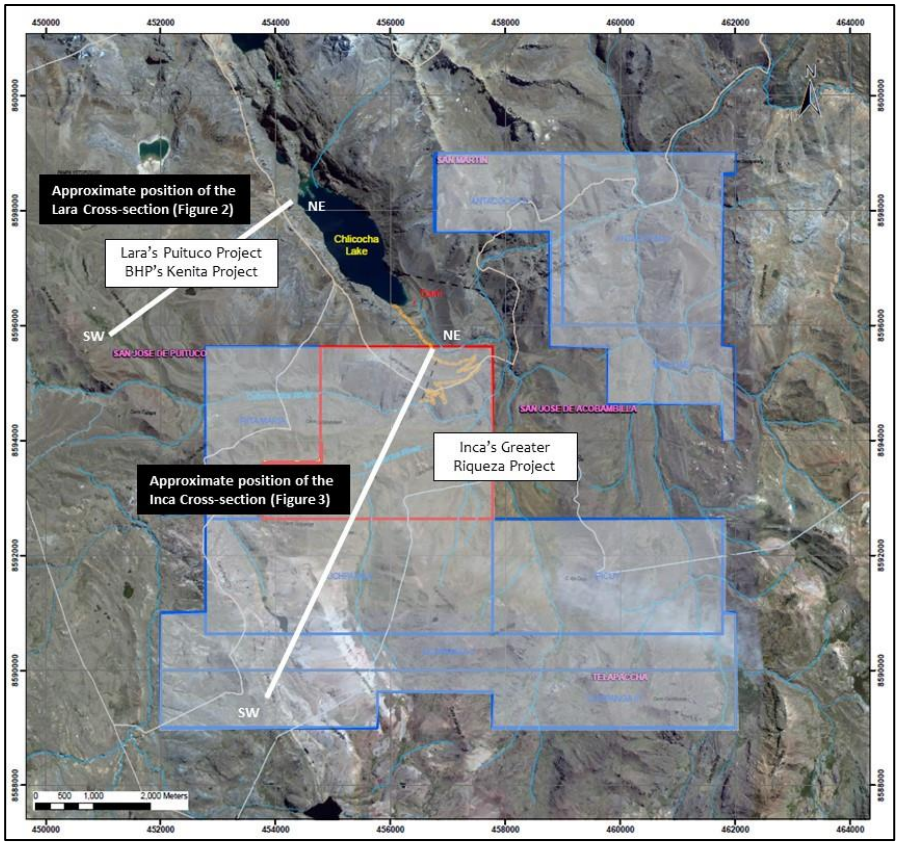


Figure 1 **LEFT:** Plan showing the approximate location of Lara's Puituco Project and BHP's Kenita Project in relation to Riqueza and the projected location of the Lara and Inca NE-SW schematic cross sections (Figures 2 and 3 respectively).

In relation to Lara's exploration model that **mineralisation is related to a proximal porphyry (or porphyries)**, there are several known porphyries within 50km of Riqueza that are either mineralised themselves or related to adjacent mineralisation. These porphyries are focussed along a NW-SE trending Chonta Polymetallic Mineral Belt (**CPMB**), which is part of the broader prolifically mineralised Miocene Porphyry-Skarn Metallogenic Belt of central Peru (Figure 4).

"The importance of intrusive stocks, including porphyries, cannot be understated" says Mr Brown. "**Porphyries and porphyry-related deposits can form mega-sized deposits and are some of the largest mines in the world** (Table 1)**. On an exploration point of view, the presence of intrusives [porphyries] indicates the possible presence of skarns and carbonate replacement deposits and *vice versa*.**"

Significant Porphyry-Skarn Deposits/Mines in Peru	
Toromocho	2,150Mt @ 0.5% Cu
Las Bambas	1,710Mt @ 0.5Cu, 0.018% Mo
Antapacay	1,032Mt @ 0.49% Cu, 0.12g/t Au
Antamina	822Mt @ 0.93% Cu, 0.66% Zn
Coroccohuayco	324Mt @ 0.93% Cu

Table 1 **LEFT:** Short list of mega-sized porphyry-porphyry-skarn deposits of the CPMB.

The central Peru Miocene metallogenic belt hosts numerous Cu-Au porphyry/skarn deposits, high sulphidation Au-Ag deposits and epithermal polymetallic deposits.

Figure 2 **BELOW:** Lara's NE-SW schematic cross section (in June Release) of their Puituco Project located immediately northwest of Riqueza. Including two manto horizons, the section shows skarn mineralisation and a possible related porphyry at depth. The porphyry is believed to be "*driving the system*".

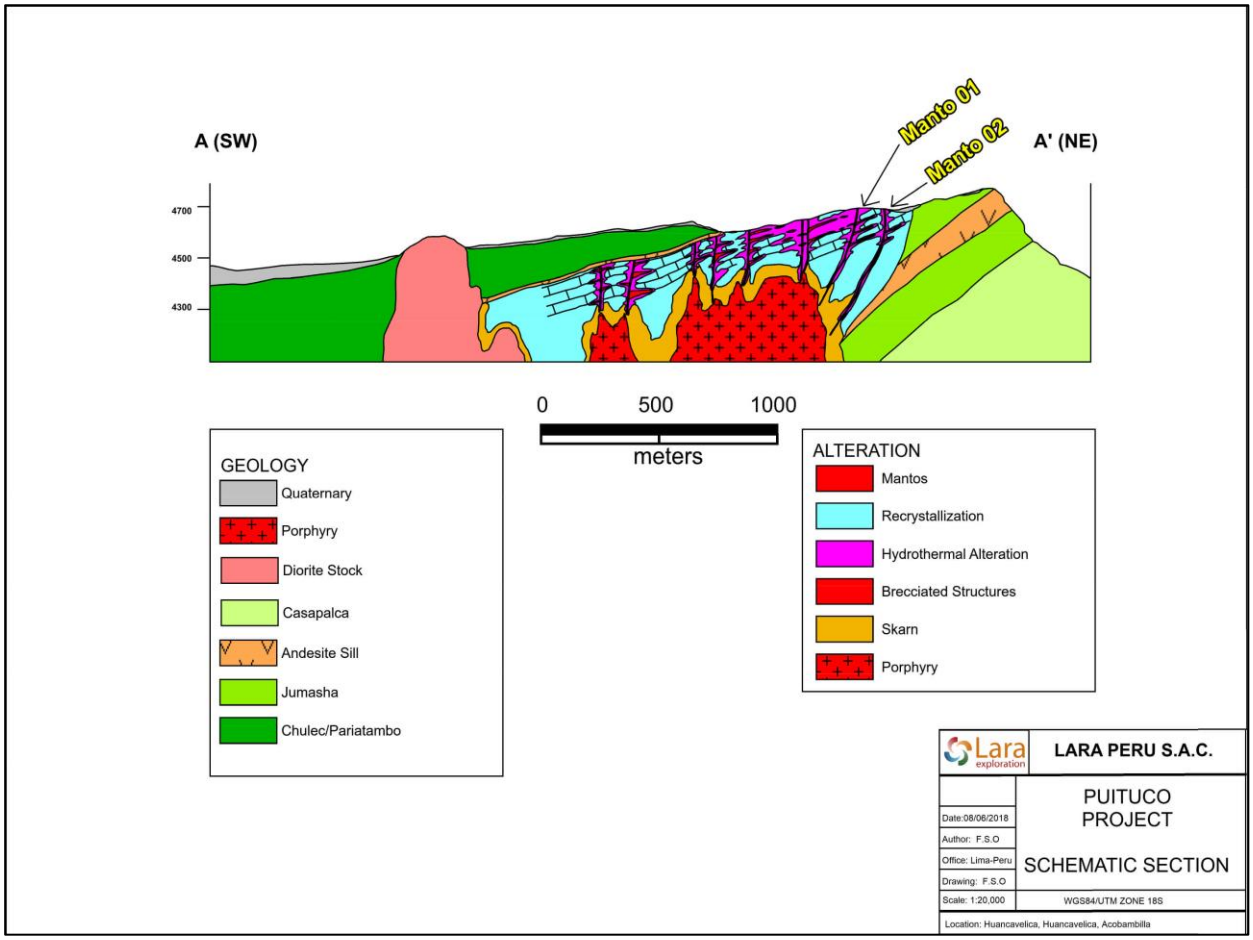
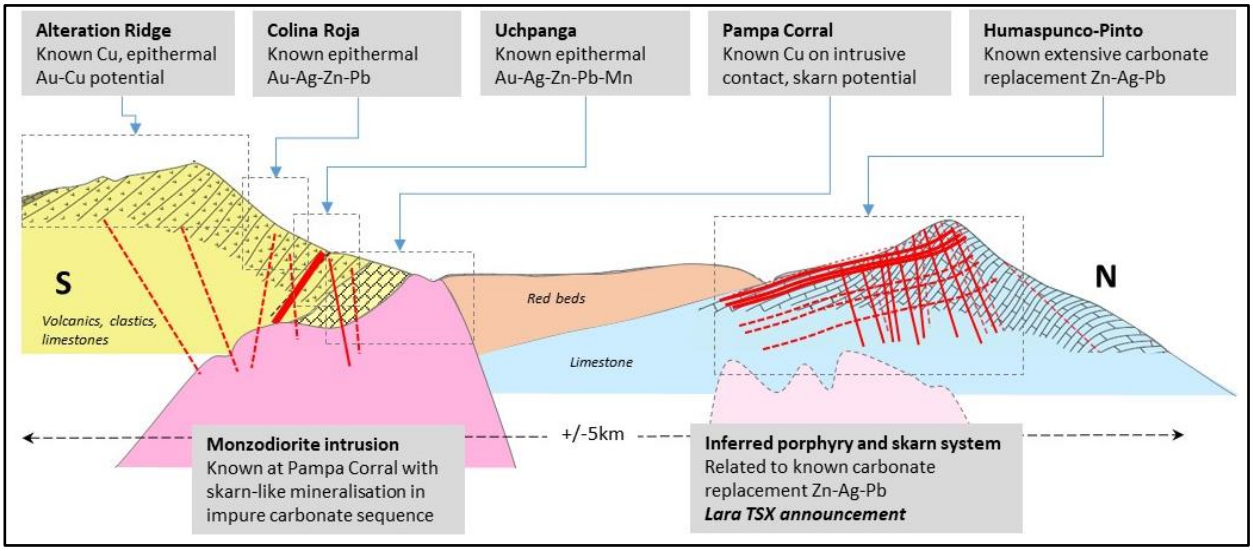


Figure 3 **BELOW:** Inca's NE-SW schematic cross section showing the geological and structural configuration of various mineralised prospects of Riqueza. Puituco and Humaspunco share a considerable number of traits, including but not limited to, the interweaving fabric of limestone-hosted veins and mantos. Both models relate known Zn-Ag-Pb mineralisation to intrusive stocks.



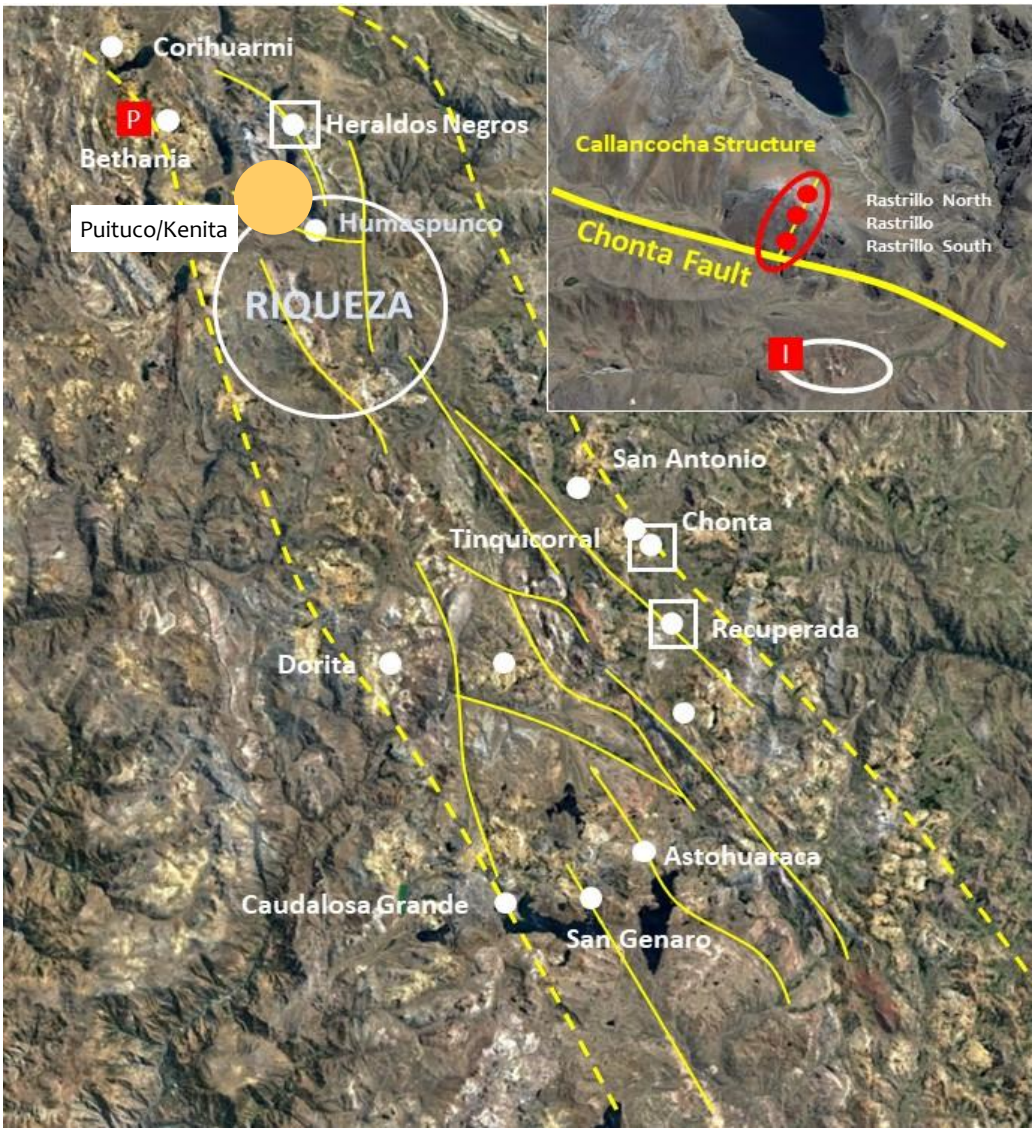


Figure 4 **ABOVE:** Satellite image of the CPMB. The Chonta Fault is the principal structure of a network of branching structures that generally trend NW-SE across central Peru. Several porphyries occur in the CPMB within 25kms of Riqueza including at Bethania (P). There are also several dozens of polymetallic deposits within the CPMB, some marked by white dots. **INSERT:** Close-up of Humaspunco showing the location of the Chonta Fault, the Callancocha Structure and the Rastrillo deposit(s). The insert also shows the location of the intrusive stock (I) at the Pampa Corral Prospect which the Company discovered in 2017. **Pampa Corral and the Chonta Fault host geophysical anomalies.**

Competent Person Statement

The information in this report that relates to exploration results and 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 exploration results, 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.

Key Words Used in this Announcement *(order of appearance and/or cross-reference in this word list)*

Porphyry (Deposit)	A type of *Deposit* containing *Ore-forming Minerals* occurring as disseminations and veinlets in a large volume of rock. The rock is typically porphyritic (a texture of large crystals in a fine groundmass). *Porphyry Deposits* are economically very significant.
Deposit	A [mineral] *Deposit* is a naturally occurring accumulation or concentration of metals or minerals of sufficient size and concentration that might, under favourable circumstances, have economic value (Geoscience Australia). It is not a defined term in the JORC Code 2012 for Australasian Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012).
Skarn (Deposit)	A type of *Deposit* that forms as a result of *Alteration* which occurs when hydrothermal fluids interact either igneous or sedimentary rocks. In many cases, skarns are associated with the intrusion o granitic rocks, especially *Porphyry* intrusions, in and around faults that intrude into a *Limestone*.
Geophysics	An exploration method using instruments to collect and analyse sub-surface data of such properties as magnetics (hence *Magnetic Survey*), Radioactivity (hence *Radiometric Survey*), gravity, electronic conductivity, etc. Instruments can be located on surface (ground survey) or above the ground (airborne survey).
Radiometric Survey	Or gamma-ray spectrometric survey measures concentrations of radio-elements potassium (K), uranium (U) and thorium (Th), specifically the gamma rays emitted by isotopes of these elements. All rocks and soils contain radioactive isotopes and almost all gamma-rays detected at surface are the result of radioactive decay of K, U and Th. *Radiometrics* is therefore capable of directly detecting *Potassic Alteration* which is associated with hydrothermal processing and formation of *Deposits*.
Magnetic Survey	Measures variations in the intensity of the earth's magnetic field caused by the contrasting content of rock-forming magnetic minerals in the Earth's crust. This allows sub-surface mapped of geology, including *Structures*. An airborne survey is flown either by plane or helicopter with the magnetometer kept at a constant height above the surface.
Structure	A very broad and widely used geological term but used at Riqueza to mean a large linear feature either a geological *Fault* or a lineament.
Limestone	A calcium carbonate sedimentary rock typically formed of ancient shallow marine deposits such as coral reefs and reef-related deposits.
Cretaceous	A geological period between 145 million and 65 million years ago.
Tertiary	A geological period between 65 million and 2.58 million years ago.
Intrusive (-ion)	The emplacement of magma (igneous rock) into pre-existing rock.
Hydrothermal	Of or pertaining to heated water, or the action of heated water of rock/mineralisation.
Brecciation/Breccia	At Humaspunco, taken to mean broken or fragmented rock. *Breccia Veins* which are common at Humaspunco, are narrow fissures containing numerous rock fragments. The rock fragments are called *Clasts* and the space around the clasts is called the *Matrix*. Often the *Matrix* in the *Breccia Veins* at Humaspunco contains the *Ore-forming Minerals*.
Clasts	The coarse component of a *Breccia*, at Humaspunco generally meaning angular fragments of *Country Rock* (limestone) but could also mean fragments of *Vein* material.
Matrix	The fine component of a *Breccia*, occurring between the *Clasts*.
Vein	A tabular or sheet-like form of mineralisation, often resulting from in-filling a vertical or near-vertical fracture. They often cut across *Country Rock*.
Country Rock	Rock that encloses or is cut by mineralisation. And more broadly, rock that makes up the geology of an area.

Key Words Used in this Announcement cont…

Miocene	A geological period between 23.03 and 5.33 million yeas ago.
Alteration	Any change in the mineralogical composition of a rock brought about by physical and/or chemical means. *Potassic Alteration* is a process in which potassium-rich minerals are developed, such is the case in *Porphyry* mineralisation.
Fault	A surface or zone of rock fracture along which there has been displacement.
Thrust (Fault)	A *Fault* with a dip less than 45° in which the hanging wall appears to have moved upwards relative to the footwall. *Thrusts* tend to be large regional scale features related to crustal movement events.
Tension Fault	A *Structure* which has been caused by *Faulting*. The walls of a *Tension Fault* are often "pulled apart" diagonally to the *Fault* direction.
Carbonate Replacement	A process in which carbonate minerals are "replaced" by another mineral or minerals. A *Manto* is a form of *Carbonate Replacement* inasmuch as the carbonate minerals of a *Limestone* layer are "replaced" by *Ore-forming Minerals* like *Sphalerite* and *Galena*.
Manto	A tabular or sheet-like form of mineralisation, often resulting from replacement along layers of *Limestone*. They often lay parallel to *Country Rock*.
Country Rock	Rock that encloses or is cut by mineralisation. And more broadly, rock that makes up the geology of an area. The *Country Rock* at Humaspunco is *Limestone* and to a lesser extent sub volcanic.
Sphalerite	A zinc sulphide mineral with the chemical formula ZnS with 67.09% Zn by mol. weight.
Galena	A lead sulphide mineral with the chemical formula PbS with 86.60% Pb by mol. weight.
Ore-forming	Minerals which are economically desirable, as contrasted to *Gangue Minerals*. In Minerals mineralisation at Humaspunco they include *Sphalerite*, *Smithsonite* and *Galena* and are indicative of *Carbonate Replacement* mineralisation.
Smithsonite	A zinc carbonate mineral with the chemical formula $ZnCO_3$ with 52.15% Zn by mol. weight.
Gangue Minerals	Valueless minerals. In mineralisation at Humaspunco they are *Calcite* and *Barite*.
Calcite	A common carbonate mineral with the chemical formula $CaCO_3$.
Barite	A barium sulphate mineral with the chemical formula $BaSO_4$.
Polymetallic	A term that describes for multi-element nature of a *Deposit* or *Mineral Belt*.
Mineral Belt	A term that describes a particular area that hosts a concentration of *Deposits*.

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Appendix 1

The following information is provided to comply with the JORC Code (2012) requirements for the reporting of exploration activities at and near Inca's Greater Riqueza project (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.*	No sampling or assay results are referred to in this announcement. For the sake of clarity, a geological cross section of an adjacent project is provided (SEE further below) and previously announced geophysics results are repeated (SEE further below).
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	N/A – No sampling or assay results are referred to in this announcement.
	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.	N/A – No sampling or assay results are referred to in this announcement.
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.).*	N/A - No drilling results are referred to in this announcement.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	N/A - No drilling results are referred to in this announcement.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	N/A - No drilling results are referred to in this announcement.
	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 - No drilling results are referred to in this announcement.
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.*	N/A - No drilling results are referred to in this announcement.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	N/A - No drilling results are referred to in this announcement.
	The total length and percentage of the relevant intersections logged.	N/A - No drilling results are referred to in this announcement.
	If core, whether cut or sawn and whether quarter, half or all core taken.	N/A - No drilling results are referred to in this announcement.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Sub-sampling techniques and sample preparation	*If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*	N/A – No sampling or assay results are referred to in this announcement.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	N/A – No sampling or assay results are referred to in this announcement.
	Quality control procedures adopted for all sub-sampling stages to maximise "representivity" of samples.	N/A – No sampling or assay results are referred to in this announcement.
	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.	N/A – No sampling or assay results are referred to in this announcement.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	N/A – No sampling or assay results are referred to in this announcement.
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 sampling or 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 sampling or 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 sampling or 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 sampling or assay results are referred to in this announcement.
	The use of twinned holes.	N/A - No drilling 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 sampling or assay results are referred to in this announcement.
	Discuss any adjustment to assay data.	N/A – No sampling or 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 locations (relating to geophysics results) were determined by a NovAtel OEM628 GPS board used for both helicopter flight path and data recovery.
	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.*	In relation to Inca's geophysics results, line spacing was 50 metres at a sensor height of 50 metres.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Data spacing and distribution ctd	*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.*	N/A – No sampling or assay results are referred to in this announcement.
	Whether sample compositing has been applied.	N/A – No sampling or 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 sampling or 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.	N/A – No drilling results, sampling or assay results are referred to in this announcement.
Sample security	*The measures taken to ensure sample security.*	N/A – No sampling or assay results are referred to in this announcement.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Where considered appropriate, assay data is independently audited. No audits were required in relation to information subject of 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: Nine Peruvian mining concessions which make up the Greater Riqueza project area. Concession Names: Nueva Santa Rita, Antacocha I, Antacocha II, Rita Maria, Maihuasi, Uchpanga, Uchpanga II, Uchpanga III and Picuy. Ownership: In relation to Nueva Santa Rita, the Company has a 5-year concession transfer option and assignment agreement ("**Agreement**") whereby the Company may earn 100% outright ownership of the concession. In relation to all other above-named concessions the Company has 100% ownership.
	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 all concessions are in good standing at the time of writing.
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	This announcement includes a cross-section compiled by Lara Exploration Ltd that owns the Puituco Project which is adjacent to the Company's Riqueza Project.
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 large-scale structures, 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.*	N/A - No drilling results are referred to in this announcement.
	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 - No drilling results are referred to in this announcement.
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 sampling, drilling or assay results are referred to in this announcement.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Data aggregation methods (ctd)	*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.*	
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	N/A - No sampling, drilling or assay results are referred to in this announcement.
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').*	N/A - No sampling, drilling or assay results are referred to in this announcement.
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 single and interim TMIRTP image of the AMAGRAD corresponding to the Greater Riqueza Project area is provided in 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 this ASX announcement provides a balanced report of the 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 three previous ASX announcements dated 14 May 2018, 4 July 2018 and 30 July 2018.
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).*	Only interim results are reported in this announcement. Further work and interpretation is necessary to identify possible additional anomaly targets and to better define anomaly targets referred to in 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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