



23 October 2018

EXPLORATION AND COMPANY STRATEGY UPDATE

Inca Minerals Limited's (**Inca** or the **Company**) is expecting a number of developments concerning its current and future operations and Inca's Board believe it useful to provide shareholders with an update on the Company's exploration plans and strategy.

As shareholders are aware, the Company's stated strategy has been to acquire and explore base and precious metal projects with a view to developing these projects into possible mines or demonstrating their value to others. To that end, the Company currently has two polymetallic exploration projects located in Peru; Greater Riqueza (**Riqueza**) and Cerro Rayas each of which is discussed below.

Initial exploration at Riqueza has been highly successful resulting in the discovery of a mineralised system comprising zinc (**Zn**), silver (**Ag**) and lead (**Pb**) replacement mineralisation; high-sulphidation, epithermal gold (**Au**) and Ag and skarn copper (**Cu**) mineralisation covering a 5km x 5km area. Riqueza has advanced from an early-stage, single concession (1,000ha) project to a nine-concession, 6,000ha project with many dozens of mineralised veins, mantos, breccias and stockworks across six prospect areas.

A South32-funded geophysics survey was completed at Riqueza in 2018 resulting in the discovery of a considerable number of large porphyry and porphyry-skarn targets. In turn this led to the commencement of negotiations between Inca and South32 of an earn-in agreement (**EIA**). At the time of writing, the EIA is being negotiated and the first-year exploration program designed. On completion of those negotiations, and commencement of an agreed first year exploration program, Inca will manage the exploration and expects the vast majority of this exploration to be funded through the earn-in funding amount.

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Exploration at Cerro Rayas has to date focussed on the known mine workings historically exploited for Zn-Ag-Pb. Extremely high Zn-Ag-Pb results in Inca's sampling led to a broader mapping and sampling program resulting in the identification of several additional mine workings and highly prospective geology in proximal areas.

The Board currently believes Cerro Rayas could follow a similar if not more rapid trajectory than Riqueza. In the event this occurs, Inca's exploration in Peru will and must remain extremely active. Inca has built a significant body of experience, expertise and knowledge in Peru which the Board fully intends to leverage. With the relevant commodity prices forecast to remain attractive the Board believes both projects have the potential to significantly underpin growth in the Company's future value.



While demand for the Company's staff and resources in Peru has risen and is expected to remain at these levels as the Peruvian projects mature, the Board has pursued and remained open to other opportunities particularly where those projects provide a diversification in commodity and/or region.

The Board has been particularly interested in commodities with an attractive supply-demand equation, and global regions with acceptable sovereign risk. As a consequence, and being mindful of the global appetite for resources, the Board has recently refined its strategy to consider new and additional projects with commodities such as vanadium, cobalt, nickel and phosphate. The Board, senior management and its Technical Advisory Panel has experience with many of these commodities and believes that, provided it can secure the right project in the right jurisdiction, it is well placed to explore, build and demonstrate value through careful investment of shareholder funds and communication wherever possible of exploration and corporate success.

The Board hopes to announce further developments in executing its strategy in the not too distant future and shareholders seeking further information are encouraged to email the Company with any queries (info@incaminerals.com.au).

Competent Person Statements

The information in this report that relates to exploration results and mineralisation for the greater 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 exploration results and 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.