



25 August 2016

Riqueza Permit Progresses and 3rd Sampling Program Underway

HIGHLIGHTS

- Inca's drilling permit progresses with community support
- Company MD on site at Riqueza Project
- 3rd Mapping and sampling program commenced

Recent developments indicate excellent progress is being made at Inca Minerals Limited's (**Inca** or **Company**) zinc-silver-lead (Zn-Ag-Pb) Riqueza Project. An important milestone has been achieved with the official lodgement and publication of the Company's Declaracion de Impacto Ambiental (**DIA**) drill permit on the Ministerio de Energia y Minas' (**MEM**) electronic portal (known as SEAL). The permit includes an allowance for up to 14,000 metres of drilling on 20 drill platforms and 3,080m of trenches. Importantly, the relevant communities have already indicated their agreement to the planned drilling and exploration under the DIA and this is a critical prerequisite to the DIA granting and then securing the final Certificate to Commence Operations.

During the permitting process and in the lead up to drilling the Company will continue to undertake an extensive series of exploration programs. The Company's Managing Director, Mr Ross Brown, is now on site and managing the third of these programs. "Leading up to drilling at Riqueza, we are pursuing a strategy of *find, refine and define*" says Mr Ross Brown. "Knowing the number, shape and size of all targets is vital prior to drilling. The May and June programs were extremely successful, generating the discovery of more than 20 new mineralised bodies with very high grade Zn-Ag-Pb sample results. With the far-majority of the project area yet to be covered, we are still very much in the "find" or discovery phase and excited by the prospect of generating similar results for prospective drill targets."

Current and Planned Exploration Pre-Drilling

The May and June exploration programs have confirmed at least three high-grade prospects at Riqueza: Humaspunco, Uchpanga and the most recently identified, Pinta. With approximately 25% of Humaspunco explored, 10% at Uchpanga and circa 5% coverage at Pinta, the third program aims to increase that coverage considerably.

"The timing needed to secure the drill permit and operations certificate will suit us well' says Mr Brown. "We'll use that time to identify all possible targets, define their spatial parameters and prioritise the targets prior to commencement of drilling. That is an exciting challenge given the results already generated and the vast majority of the project area yet to be tested."

This third program has commenced where the June program left off at the Pinta prospect and the Company fully expects to discover additional mineralised veins and mantos. As announced 15 August 2016, early sampling results from Pinta produced 3 new veins with peak grades of 10.00% Zn, 240g/t Ag and 11.50% Pb. Better than expected progress on this third program is already reported and the Company will move quickly to assay samples



with a view to reporting assay results in September. Figure 1 provides further guidance with the white rectangle areas indicating the mapping and sampling coverage in the Company's current August program.

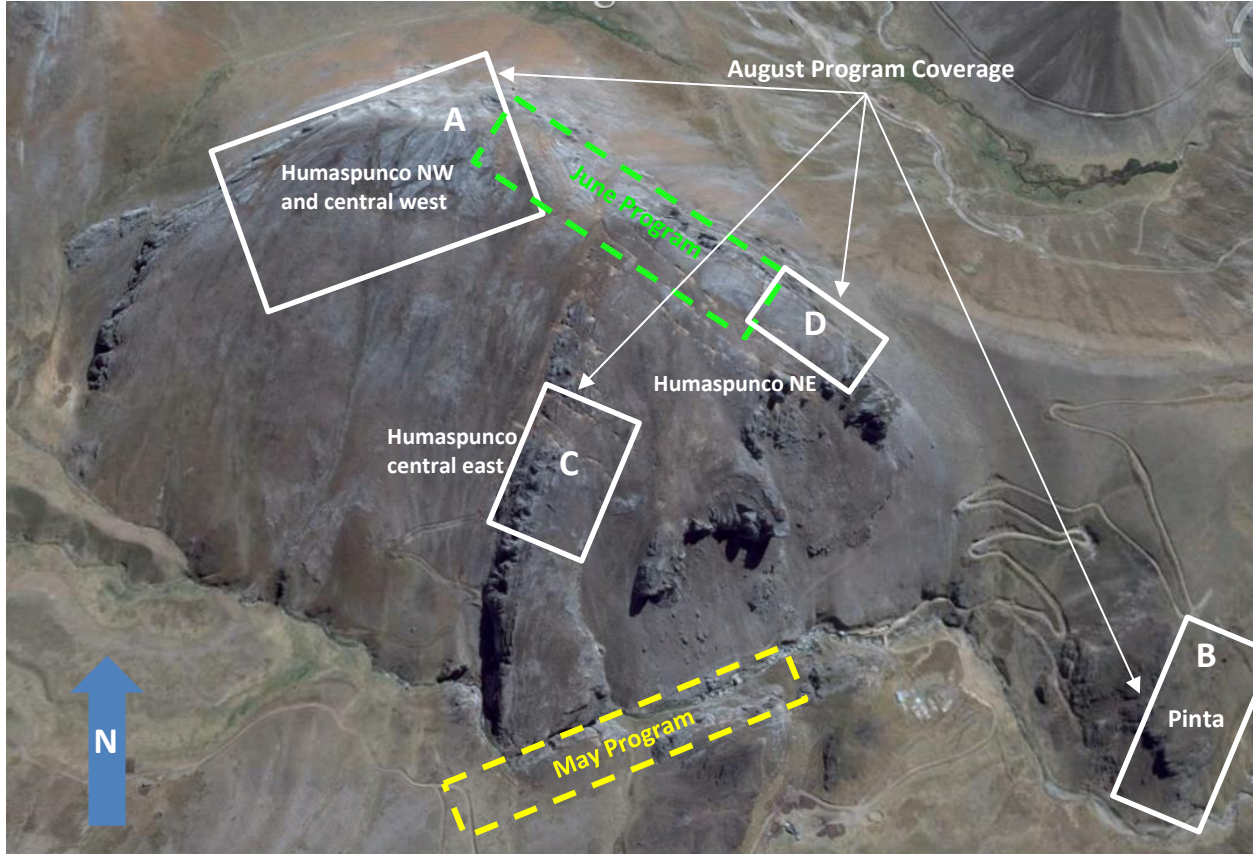


Figure 1: **ABOVE** Mapping and sampling coverage of the Riqueza Project. Coverage of the May program is indicated by a dashed yellow box. Coverage of the June program is indicated by a dashed green box. Coverage of the August program is indicated by the white rectangles. Area A targets visible vein-structures and exposed manto sequence horizons; Area B targets visible vein-structures; Area C targets visible vein-structures, manto mineralisation, old workings and +1% Zn soil anomalies; and Area D targets visible vein-structures, old workings and exposed manto sequence horizons.

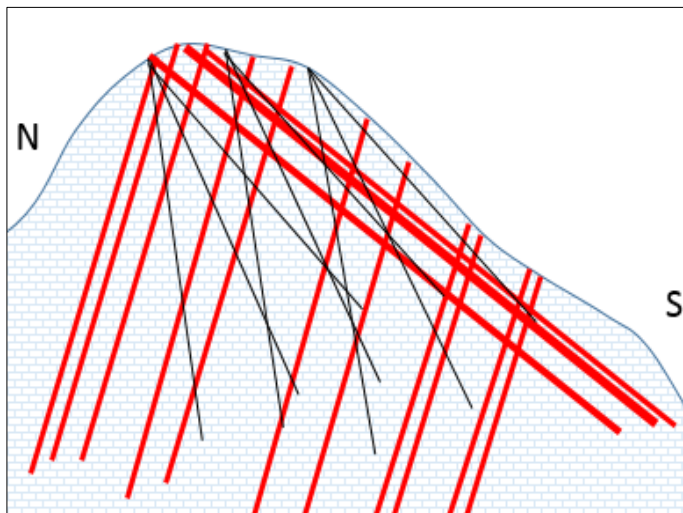


Figure 2: **LEFT** Schematic cross section of Humaspunco showing the approximate projection of hypothetical drill holes (thin black lines) across the already known veins and mantos (red lines). For the purposes of this diagram three holes are projected from three platforms. In 9 holes there are a potential 59 “intersections” of known mineralised veins and mantos (this calculation does not take into account future discoveries of veins and mantos). This high frequency of intersection facilitates the rapid development of potential resource definition.



Further mapping and sampling programs will be conducted following completion of the August program. On completion of these programs the second and third pre-drilling exploration phases will involve refining and defining mineralised veins, mantos and breccias through detailed mapping and channel-sampling and prospect-scale geophysics; the former is to better understand the surface distribution and zonation of mineralisation (Zn, Ag contours for example) and the latter to better understand the depth distribution and zonation of mineralisation (shape of underground conductors for example). In doing so the Company can then create a prioritised list of well-defined drill targets for the first phase of drilling.

First Phase Drilling: The principal aim of the first phase of drilling is to test the highest priority targets. Figure 2 provides a hypothetical schematic representation of the first phase of drilling in the event that the highest priority targets are the veins and mantos already discovered at the Humaspunco prospect. The design of the holes takes advantage of the very close juxtaposition of the mineralised systems, tightly parallel vein swarms with stacked mantos and brecciated vein/mantos intersections (at Humaspunco). Low to steep angled, inclined holes fanning out from platforms are designed to intersect multiple zones of mineralisation in each hole. By this design there is a high frequency of intersection and a high degree of overlap, which facilitates the creation of a JORC-compliant Exploration Target, the first step in building a potential mineral resource.

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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 full time 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 full time employee of Inca Minerals Limited and consents to the report being issued in the form and context in which it appears.