



29 August 2016

More Than Thirty New Discoveries Made at Riqueza

HIGHLIGHTS

- 31 new mineralised bodies (17 veins + 14 mantos) discovered in Riqueza August mapping/sampling
- Mineralised manto sequence discovered at Pinta prospect – manto appears to extend 2km
- Exceptional concentration of mineralised bodies at Humaspunco prospect
- Assay results pending

In a preliminary field report on Inca Minerals Limited's (**Inca** or **Company**) August mapping and sampling program (**Program**), the Company's Managing Director (Ross Brown) advises 31 new mineralised bodies are mapped and sampled at the Company's zinc-silver-lead (Zn-Ag-Pb) Riqueza Project in Peru.

The 31 newly discovered veins and mantos are located at the Humaspunco and Pinta prospects and take the total number of mineralised bodies (known to date) from 30 to 61. The frequency of discovery and doubling of known mineralised bodies suggests more discoveries are expected in areas not yet covered including the east and west flanks of Humaspunco Hill and much of the Uchpanga prospect.

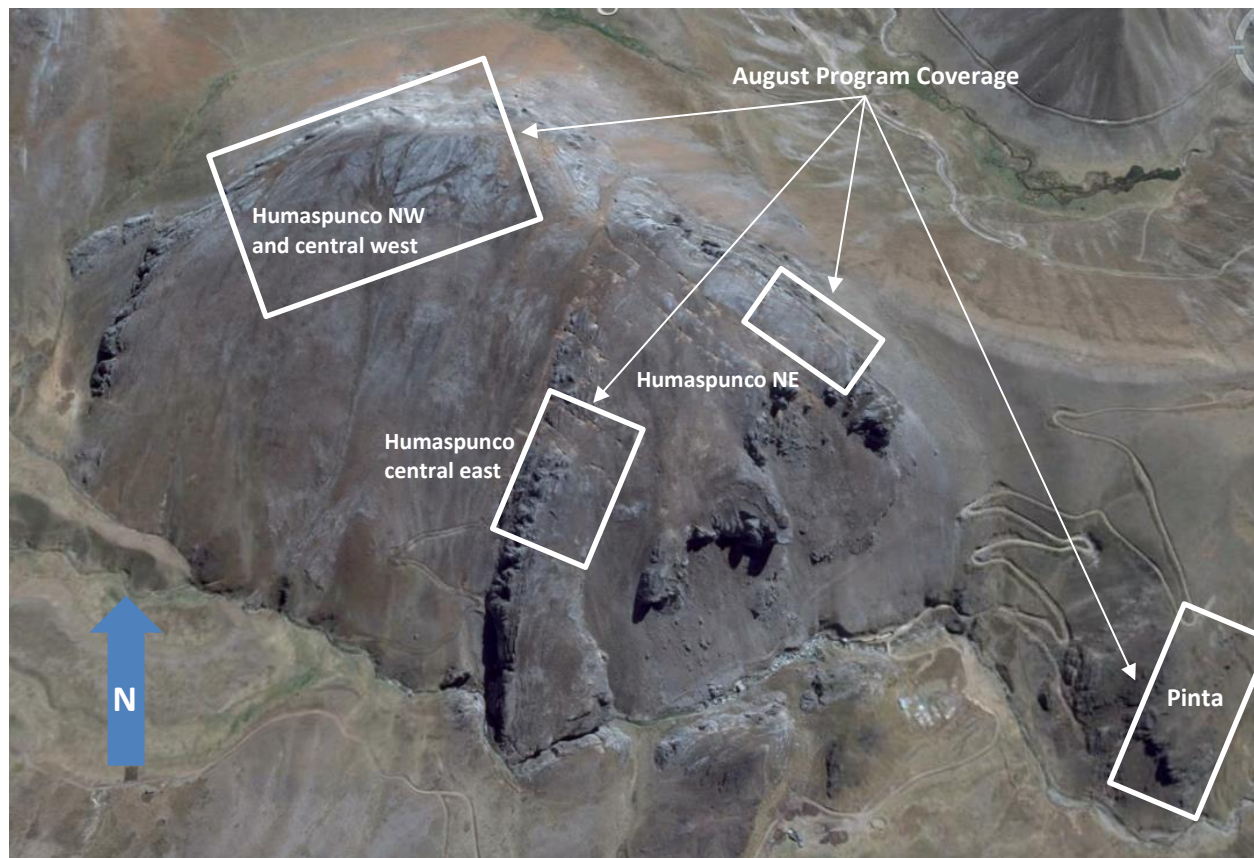


Figure 1 ABOVE: August mapping and sampling program coverage (white rectangles) at Humaspunco and Pinta prospects.



Humaspunco Prospect – August Program Preliminary Report

The August Program mapped and sampled 15 new mineralised veins and 13 newly discovered mantos at the Humaspunco prospect. The mantos are either entirely new horizons or may be extensions of the four previously recorded manto horizons at Humaspunco. Irrespective, manto mineralisation at Humaspunco is extensive and recognised in all outcrop areas covered in this phase of mapping and sampling.

Ten of the newly discovered veins and seven of the new mantos are located on the eastern side of Humaspunco (refer Figure 1 for mapping and sampling area coverage). Of particular interest is the coalescence of at least four new veins and four new mantos in an area 150m x 100m. “The concentration of mineralisation in the northeast area of Humaspunco is intense and explains more than two dozen small artisanal workings in the same area” says Mr Brown.



Figure 2 **LEFT:** Manto mineralisation discovered at Humaspunco’s central west area in the August mapping and sampling program. It shows coarse galena and fine sphalerite with barite (white). The manto outcrop roughly corresponds to the +1% soil anomaly at this location. It, along with other manto discoveries in the vicinity, proves beyond doubt that the manto sequence continues across Humaspunco and is strongly mineralised.

In the western area of Humaspunco five new veins and six new mantos have been mapped and sampled. Two of the five veins are large irregular-shaped fracture veins clearly visible in Figure 1. The six new mantos may be new manto horizons or extensions of the four previously discovered manto horizons at Humaspunco. The location of one of the manto outcrops roughly corresponds to an area already associated with a +1% soil anomaly (see Figure 2). In conjunction with the other manto discoveries in the eastern area, it is strongly indicative that the manto sequence continues over much of the Humaspunco prospect and is highly mineralised.

Pinta Prospect – August Program Preliminary Report

The Company’s June mapping and sampling program included some initial sampling at a possible third prospect – Pinta. Peak grades from this sampling were 10.00% Zn, 240g/t Ag and 11.50% Pb. Consequently, the Pinta prospect was also the subject of mapping and sampling in the Program. As a result, the number of known mineralised bodies at Pinta has doubled from three to six. Of the three newly discovered bodies, two are mineralised veins and, of great significance, is the discovery of a mineralised manto.

The Pinta manto occurs at the same stratigraphic level as the manto sequence at Humaspunco and is believed part of the very same stacked tabular-shaped manto horizon system first discovered at Humaspunco. If so, the manto sequence at Humaspunco-Pinta is now known to occur over a 2km distance in an east-west direction. In the southern direction it is known to dip into the ground meaning it is therefore open-ended to the south. Consequently, Pinta is confirmed as highly prospective.

Mr Brown reports “The manto style mineralisation at Humaspunco-Pinta occurs over an area at least 2km x 800m, is open-ended to the south and comprised of at least four manto horizons. Detailed analysis may



add significantly to the number of manto horizons and the lateral extent of this manto sequence hints at even greater stratigraphic thickness and clearly represents a very large, significant mineralisation event.”

Summary – August Program Preliminary Report

Without mapping coordinates and assay results, the August Program report is preliminary in nature. More than 50 samples were taken during the Program which mapped and sampled a total of 17 mineralised veins and 15 mineralised mantos. The vast majority of these veins and mantos are new discoveries (i.e. 17 new mineralised veins and 14 new mineralised mantos) during the August Program.

“Despite the success of the May and June programs in terms of both discoveries and grade, the August program will prove to be our best to date at Riqueza” says Mr Brown. “I’ve been delighted by the sheer number and quality of the new discoveries during this Program and, with assay results keenly anticipated, I’m looking forward to increasing the number of quality targets in readiness for our maiden drilling campaign at Riqueza.”

The number of mineralised bodies at Riqueza currently stands at 61 and is comprised of:

- 35 veins at Humaspunco
- 17 mantos at Humaspunco
- 2 breccias at Humaspunco
- 5 veins at Pinta
- 1 manto at Pinta
- 1 vein (related to 750m gossan) at Uchpanga

The number of known mineralised veins at Riqueza currently stands at 41 with the majority located at the Humaspunco prospect (albeit further mapping and sampling is required at all three Riqueza prospects: Humaspunco, Uchpanga and Pinta). The northeast section of Humaspunco hosts a very high concentration of both veins and mantos. “This interconnection and intense concentration of shallow dipping manto horizons and multiple vein sets is, in my experience, unprecedented and made counting individual mineralised occurrences difficult. Consequently, the current number of mineralised bodies at Humaspunco is probably a conservative one” says Mr Brown.

With 14 newly discovered mantos during the August Program (13 at Humaspunco and 1 at Pinta), there are now 18 known mineralised mantos at Riqueza. The newly discovered mantos may be new manto horizons or extensions of four previously discovered at Humaspunco. The manto horizons discovered at Humaspunco and Pinta do appear part of one very large manto horizon system 2km x 800m which is open ended to the south. If so, the extensions to the high-grade manto sequence provides a quantum increase in size and tonnage potential at Riqueza.

Samples from the August Program have been submitted to the laboratory and the Company expects to report assay results in September. Given the number, scale and nature of new discoveries in the Program, further follow-up sampling and detailed mapping in the same area is required. In addition, areas not yet covered will, in follow-up programs, be mapped and sampled.



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.