6 June 2018

2.2 METRE MINERALISED MANTO NEAR RASTRILLO

HIGHLIGHTS

- 2.2m thick manto mineralisation identified immediately north of Rastrillo Deposit
- Strong visible mineralisation in manto includes semi-massive concentrations, disseminations, stockworks and veinlets of sphalerite (zinc sulphide), smithsonite (zinc carbonate) and galena (lead sulphide)
- Assays expected by month end

Inca Minerals Limited (**Inca** or the **Company**) has mapped and channel-sampled a recently opened mine working (**Mine 4548**) located north of the Company's Rastrillo Deposit (Figure 1) (Greater Riqueza Project). Mine 4548 comprises a main gallery 25m long and two shorter side and parallel galleries (Figure 2). Strong visible mineralisation is exposed along mine walls and related to a significant manto horizon.

Channel samples (IM-001533 to IM-001584) were taken perpendicular to the manto to test the tenor of mineralisation, which in places is up to 2.2m thick (Figures 3 & 4). Samples have been submitted for analysis with results expected within 21 days.

Detailed mine surface mapping shows that the manto has three distinctive mineralised lithologies which interweave and repeat laterally and vertically within the manto horizon. These are:

- a semi-massive sulphide horizon comprising smithsonite and galena;
- a brecciated horizon comprising veinlets and disseminations of smithsonite and galena with gangue minerals barite and calcite;
- footwall/hanging manto-limestone contact horizons with sphalerite, smithsonite and galena stockwork.

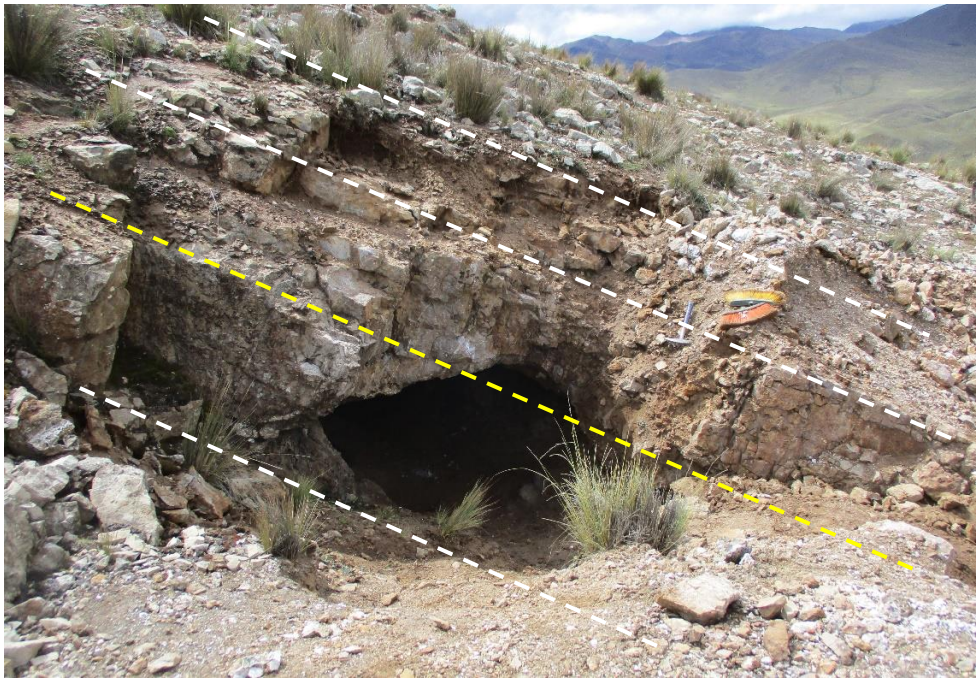


Figure 1 **LEFT:** Entrance to Mine 4548. The plain of the manto is indicated by a dotted yellow line. Note that the manto is concordant (parallel) to the bedding of the limestone (dotted white lines). This is characteristic of manto mineralisation.

Summary and Significance of Manto Mineralisation at/near Rastrillo

Shallow-dipping tabular-style Zn-Ag-Pb mineralisation at and near the surface is well documented at Humaspunco. This style of mineralisation, referred to as manto mineralisation, occurs over a projected area of 2,000m x 800m. **Detailed mapping in and about Rastrillo and along the Callancocha Structure Zone (CSZ) has now uncovered multiple new occurrences and a new manto mine working, Mine 4548. This mine working was sampled and subject of this announcement.**

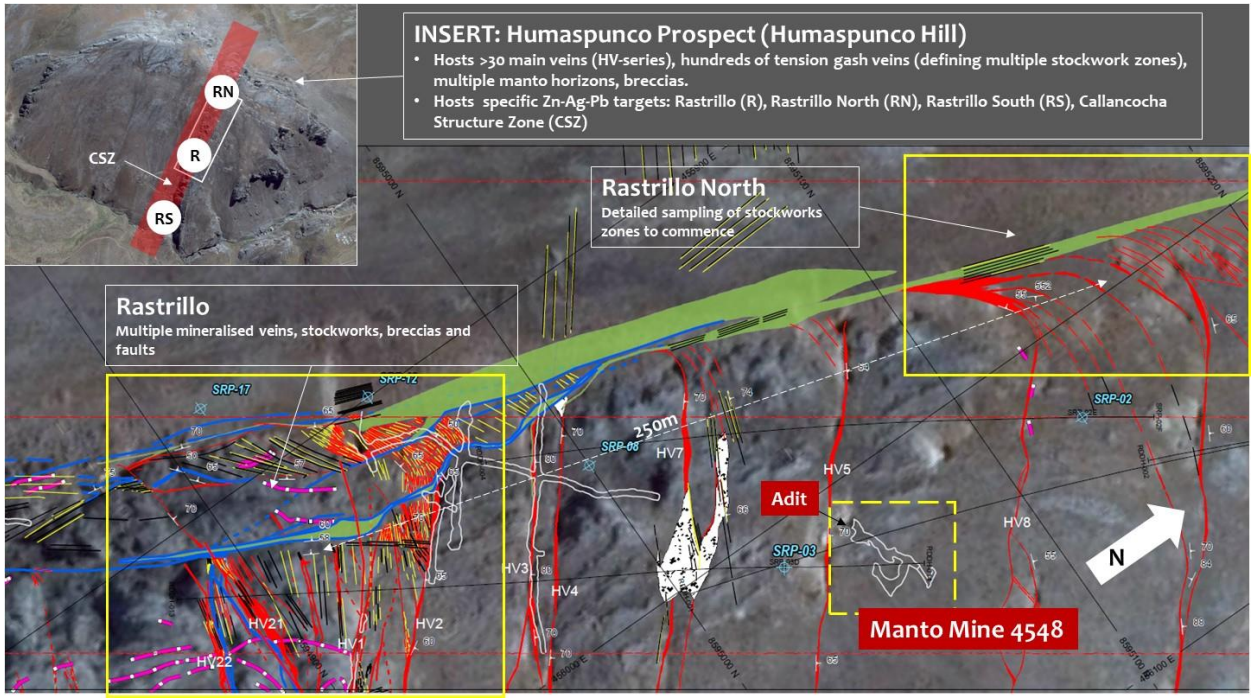
Mine 4548 reveals a manto horizon up to 2.2m thick occurring within 5m of the surface, approximately 120m north of Rastrillo and 50m south of Rastrillo North (Figure 2). It is believed to be a northern extension of manto mineralisation intersected in drill holes RDDH-004 and RDDH-014.

Prior to detailed mapping at Rastrillo and CSZ, an upper and lower manto sequence was recognised, the upper sequence comprising three mineralised horizons and the lower sequence comprising one mineralised horizon. Mapping now shows that the upper sequence, within which Rastrillo occurs, comprises at least eight manto horizons, varying in thickness from >2m to 0.1m.

Importantly, mapping now also indicates that the mantos in the Rastrillo/CSZ area are derived from the lateral migration of mineralised fluids along susceptible layers of limestone from mineralised veins. The increased number of mantos being discovered at Rastrillo is, not surprisingly, associated with the high concentration of veins occurring at Rastrillo.

"The prospectivity of Rastrillo and its potential to develop into a resource is enhanced for two reasons" says Inca's Managing Director, Mr Ross Brown. "Firstly, significant additional tonnage is derived from manto mineralisation and, secondly, the interconnectedness of the mineralised veins, breccias, stockworks, structures and, now, multiple mantos, provides continuity and bulk tonnage potential."

Figure 2A **BELOW**: Location plan showing Mine 4548 in relation to Rastrillo, the Callancocha Structure Zone and Humaspunco.



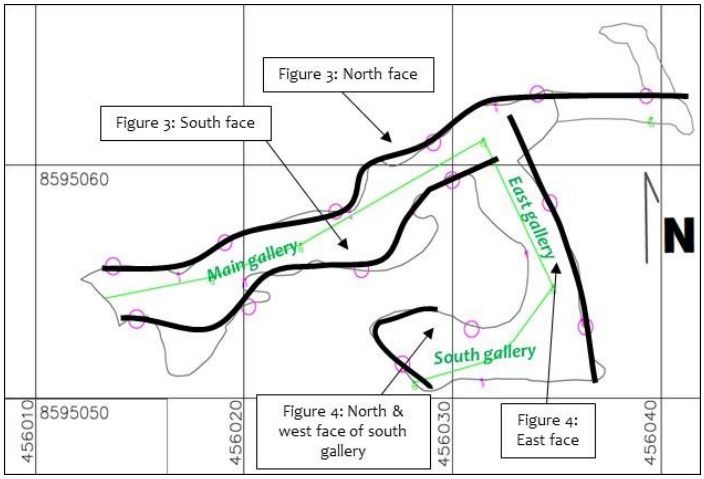


Figure 2B **LEFT:** Plan of underground mine working showing the location of the geological cross sections shown in Figures 3 and 4.

Figure 3 **BELOW:** Geology and sample locations of the north and south walls of the main (north) gallery of Mine 4548. Red = a semi-massive sulphide horizon. Yellow and red = brecciated horizon comprising veinlets and disseminations. Blue and red = Limestone horizon with stockwork.

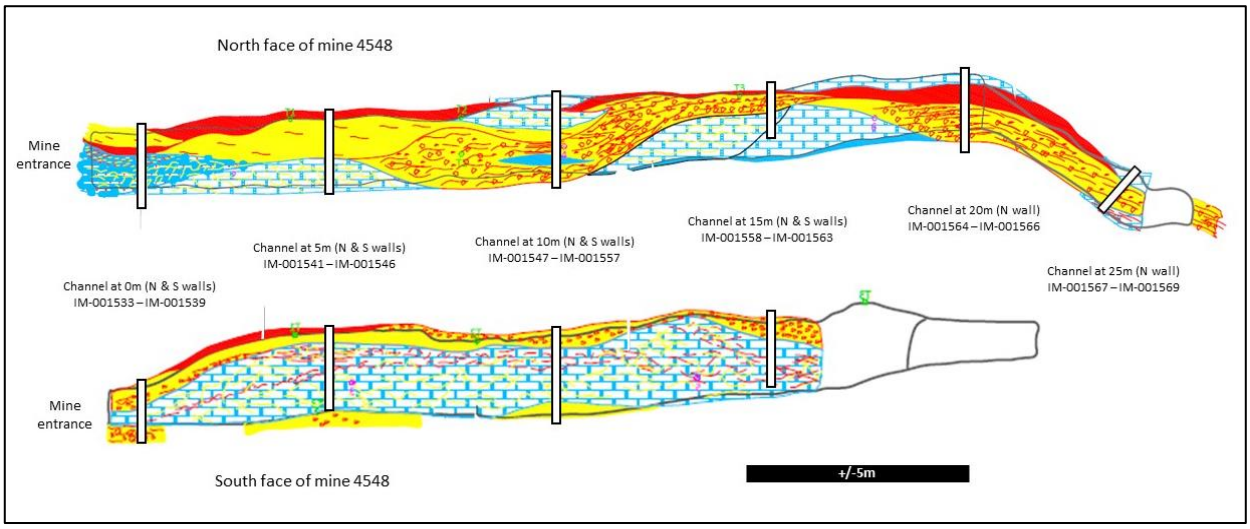
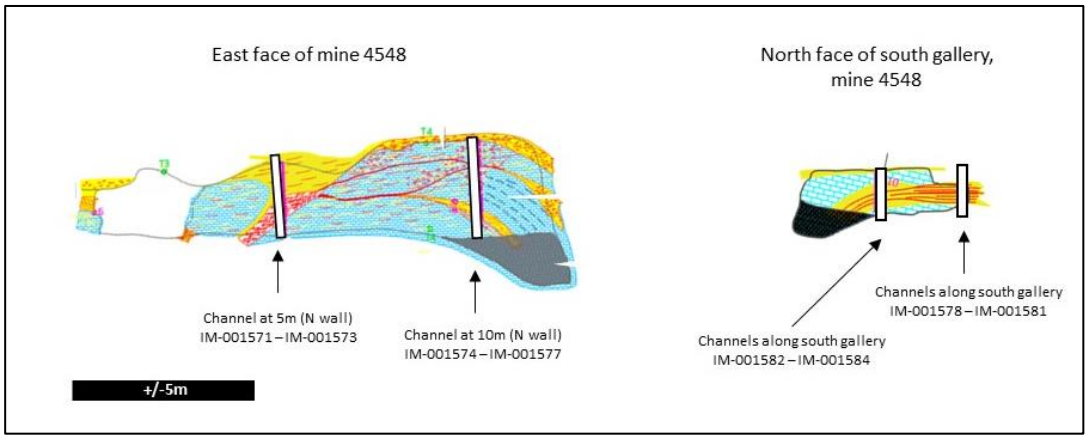


Figure 4 **BELOW:** Geology and sample locations of the east wall of the east gallery and north and west walls of the south gallery, of Mine 4548. Red = a semi-massive sulphide horizon. Yellow and red = brecciated horizon comprising veinlets and disseminations. Blue and red = Limestone horizon with stockwork.



Competent Person Statement

The information in this report that relates to exploration results and 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 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 mention in the ASX announcement)*

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. The Country Rock at Uchpanga is a volcanic.
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).
Semi-massive	A descriptive term used for mineral deposits, especially sulphides, that occur in concessions. "Semi" refers to the observation that the concessions are less than "massive". There are no absolute % levels associated with this description.
Dissemination(s)	A descriptive term used for mineralisation that is generally evenly distributed throughout the ore body and is generally fine grained.
Stockwork	A mineral *Deposit* in the form of a network of *Veinlets* diffused in the *Country Rock*.
Veinlets	A small and narrow mineral filling of a fracture in country rock that is tabular or sheet-like in shape. *Veinlets* are narrow versions of veins.
Sphalerite	Zinc sulphide mineral with the chemical formula ZnS with 64.06% Zn by mol. weight.
Smithsonite	Zinc carbonate mineral with the chemical formula $ZnCO_3$ with 52.15% Zn by mol. weight.
Galena	Lead sulphide mineral with the chemical formula PbS with 86.60% Pb by mol. weight.
Channel Sampling	A sampling technique whereby a continuous length of rock is collected for assay testing, usually in a perpendicular orientation to mineralisation. A single channel sample is typically one metre long in length or shorter. A series of channel samples may extend for tens of metres. This technique is often used in trenches or across large expanses of rock outcrop.
Calcite	A common carbonate mineral with the chemical formula $CaCO_3$.
Barite	A barium sulphate mineral with the chemical formula $BaSO_4$.
Fault	A surface or zone of rock fracture along which there has been displacement.
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*.
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*.

Key Words Used in this Announcement *cont…*

Ore-forming Minerals	Minerals which are economically desirable, as contrasted to *Gangue Minerals*. In mineralisation at Humaspunco they include *Sphalerite*, *Smithsonite* and *Galena*.
Gangue Minerals	Valueless minerals. In mineralisation at Humaspunco they are *Calcite* and *Barite*.
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.
Footwall	The underlying side of an ore body or of a mine working.
Hanging wall	The overlying side of an ore body or of a mine working.

Selection of photos taken during the sampling program subject of this announcement. CLOCKWISE: Opening the adit to gain access to the interior of the underground mine; A typical line of samples that constitutes a "channel" – a continuous line of samples to obtain a continuous measure of the mineralisation; photo of IM-001551 with visible galena, sphalerite and smithsonite; photo of IM-001553 with visible galena, sphalerite and smithsonite.

Appendix 1

The following information is provided to comply with the JORC Code (2012) requirements for the reporting of channel sampling results by the Company on one concession known as Nueva Santa Rita (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.*	This announcement refers to visible mineralisation and 52 channel samples taken from an underground mine working. The 52 channel samples were taken from channels orientated perpendicular to visible mineralisation exposed in mine wall surfaces.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Channel sample intervals are determined through tape measurement made relative to a GPS-located marker.
	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.	Channels perpendicular to exposed visible mineralisation within the mine galleries were used to obtain representative samples approximately 2kg in weight. Individual channel sample lengths are less than or equal to 1m.
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 drilling results are referred to in this announcement.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Channel sampling follows industry best practice.
	Quality control procedures adopted for all sub-sampling stages to maximise "representivity" of samples.	No sub-sampling procedures were undertaken.
	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.	The orientation of the channels was perpendicular to the visible zone of mineralisation.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are adequate in terms of the nature and distribution of mineralisation visible in the trenches and subsequent channels.
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.*	The analytical assay technique to be used in the elemental testing of the channel samples for non-Au is 4-acid digestion and HCl leach, which is considered a complete digestion for most material types. Elemental analysis is via ICP and atomic emission spectrometry. Au techniques include fire assay with AA finish. The analytical assay technique to be used in the elemental testing is considered industry best practice.
	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 geophysical tool or electronic device will be used in the generation of the channel sample results other than those used by the laboratory in line with industry best practice.
	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.	Blanks, duplicates and standards will be used as standard laboratory procedures. The Company will also enter blanks, duplicates and standards as an additional QAQC measure.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The sample assay data will be independently generated by SGS Del Peru (**SGS**) who conduct QAQC procedures, which follow industry best practice.
	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.	Primary data (regarding assay results) will be supplied to the Company from SGS in two forms: Excel and PDF form (the latter serving as a certificate of authenticity). Both formats will be captured on Company laptops/desktops/iPads which are backed up from time to time. Following critical assessment (eg price sensitivity, *inter alia*), when time

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Verification of sampling and assaying (ctd)		otherwise permits, the data will be entered into a database by Company GIS personnel.
	Discuss any adjustment to assay data.	No adjustments will be made.
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 channel sample locations were determined using hand held GPS.
	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.*	The channels were spaced so as to form a continuous line of sampling within mine working perpendicularly across the visible mineralisation with individual samples taken ≤1.0m in length along each channel.
	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.	Extensions of manto mineralisation are included in this report and are based on detailed geological mapping.
	Whether sample compositing has been applied.	No sample compositing will be applied to future assay results.
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.*	Channel sampling subject of this announcement is perpendicular to visible mineralisation and as equally spaced along the mine working walls as possible.
	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.	Refer immediately above.
Sample security	*The measures taken to ensure sample security.*	Sample security is and will be managed by the Company in line with industry best practice.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Where considered appropriate, assay data is independently audited. No new assay data is contained in 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: 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.
	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 concession are in good standing at the time of writing.
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	This announcement does not refer to exploration conducted by previous parties.
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.	A/a.
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.*	Weighted averages will be applied to assay data of the 52 samples subject of this announcement, where an average grade is calculated over intervals comprising different individual channel lengths. No maximum/minimum truncations will be applied.

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 aggregate intercept (or grade of each line of channel samples) in the case of future assay results of the samples subject of this announcement will be achieved by 1) multiplying the channel sample grade by channel length, 2) totalling the result for each channel sample, then 3) dividing the total weighed grade by the total channel length of the channel samples.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	N/A – no equivalents were used 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').*	The orientation of the zones of mineralisation encountered in the mine working is well known (as discussed above), therefore the widths are considered true widths.
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.*	Plans are provided showing the position of the mine working and channel samples subject of 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 its 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 no reference to prior announcements.
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).*	By nature of early phase exploration, further work is necessary to better understand the mineralisation appearing in the mine working subject of 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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