



HIGHLIGHTS THIS QUARTER

EXPLORATION

- Maiden drill campaign commences at the Company's Riqueza Project following receipt of commencement date from the Ministry of Energy and Mines (**MEM**)
- Large zinc-silver-lead (**Zn-Ag-Pb**) drill target recognised at Humaspunco
- Intrusive stock identified at Riqueza confirming intrusive-related, replacement exploration model
- BHP Billiton apply for concessions next to Riqueza

CORPORATE

- Company raises \$942,400 (before raising costs) this quarter to help fund the drilling campaign

PROJECT ACTIVITIES

Riqueza Zinc-Silver-Lead Project

Drilling Commences

In March 2017 Inca Minerals Limited (**Inca** or **Company**) was provided an official drilling commencement date through the issuance by the MEM of, what is referred to as, a Commencement Certificate (**CC**). The CC essentially activates the DIA drilling permit, which was granted in late December 2016. The official commencement date of the DIA is March 2017. The DIA is valid for two years and has a drilling capacity of 16,800m (14,000m plus 20%).

The drilling program has progressed well this quarter with approximately 400m completed. Whilst inclement weather has caused delays, the end of Peru's wet season is fast approaching. Once the dry season begins, the Company fully expects to recover time lost.



Figure 1: **RIGHT** Drilling at Riqueza.



Mapping and Sampling Results

Three important exploration developments occurred at Riqueza during the March 2017 Quarter (**Quarter**). The first of these is the identification of the Callancocha Structure as a major mineralised feeder zone and drill target; the second is the discovery of a monzodiorite intrusion south of Humaspunco (the latter as post-Quarter exploration result); the third is the positioning of BHP Billiton adjacent to the Company's project area.

The Callancocha Structure as an Important Zone of Mineralisation and Drill Target

Continued detailed mapping as part of the DMASS Program (described in previous ASX announcements) led to the understanding that the Callancocha Structure is a major focal point of mineralisation. It is believed to be a large fault acting as a mineralised feeder zone also responsible for the development of later-stage Zn-Ag-Pb veins and mantos. Mineralisation along it is now believed to continue unbroken into the EW veins via mineralised arcuate tension gash veins which are being unearthed during the DMASS program.

Figure 2: **RIGHT** Satellite image showing the Callancocha Structure in relation to the EW veins at Humaspunco.

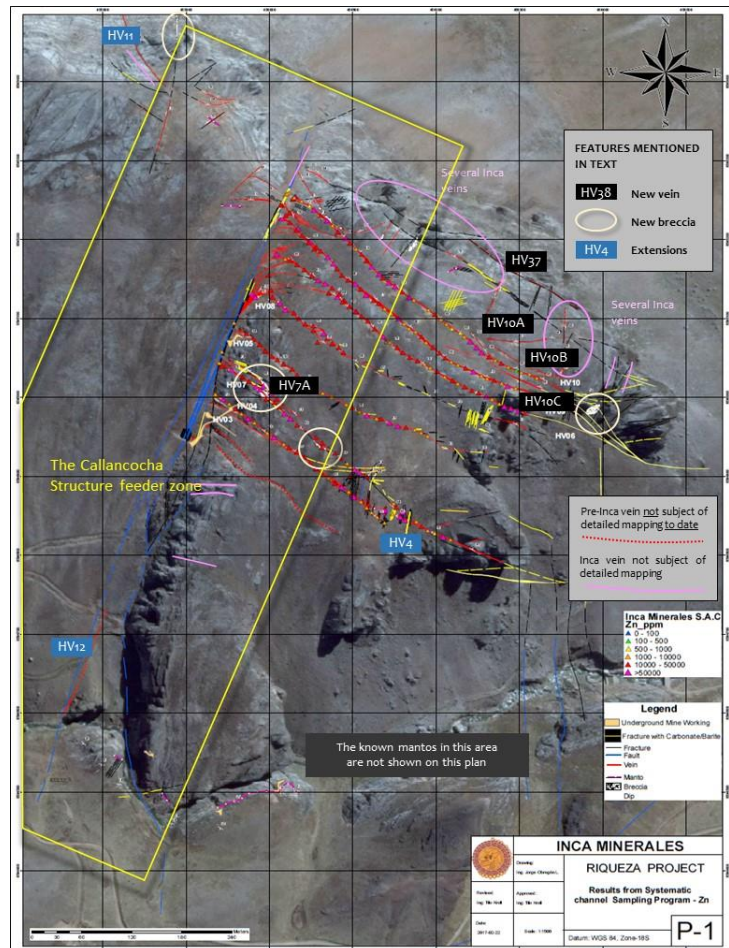


Figure 3: **LEFT** Landscape photo, facing south, down the hill along the Callancocha Structure. A line of workings, which occur on the west side of structure, access both vein and manto mineralisation, now believed to have bled from this major NS-trending fault.



The Monzodiorite Intrusion Confirms Exploration Model for Riqueza

The discovery of a large expanse of outcropping monzodiorite (Figure 4) less than one kilometre south of Humaspunco is an important development. It confirms the appropriateness of the Intrusive-Related Replacement Deposit Exploration Model (**IRRD Model**) for Riqueza. The IRRD Model affirms that the Zn-Ag-Pb-(Au-Cu-Mn) mineralisation that occurs at Humaspunco-Pinta and Uchpanga is most likely created by the emplacement (or intrusion) of monzodiorite stocks into a limestone-dominant stratigraphy.

Regional mountain-building processes created crustal weaknesses that became focal points for granitic intrusions. Heat from the intrusions created contact mineralisation (skarns) and drove metal-bearing fluids along faults (feeder zones). The metal-bearing fluids continued to infiltrate structural weakness (veins) and susceptible limestone horizons (mantos).

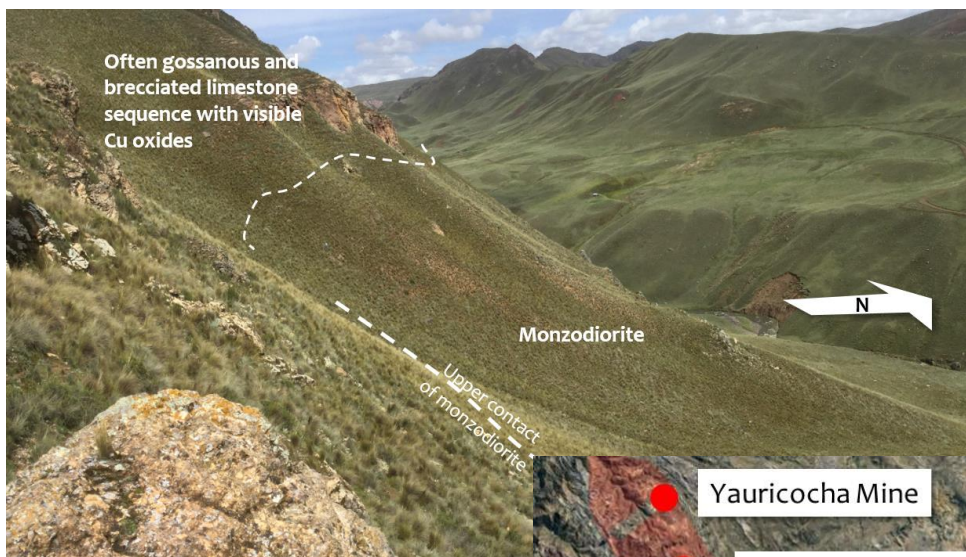


Figure 4: **LEFT** Landscape photo facing west across the monzodiorite outcrop.

The IRRD Model is entirely consistent with numerous other deposits which occur within a 50km distance, along a distinctive NW-SE mineral-belt (Figure 5). Indeed, Riqueza is one of nine deposits in the vicinity that are associated with intrusive granites and limestones.

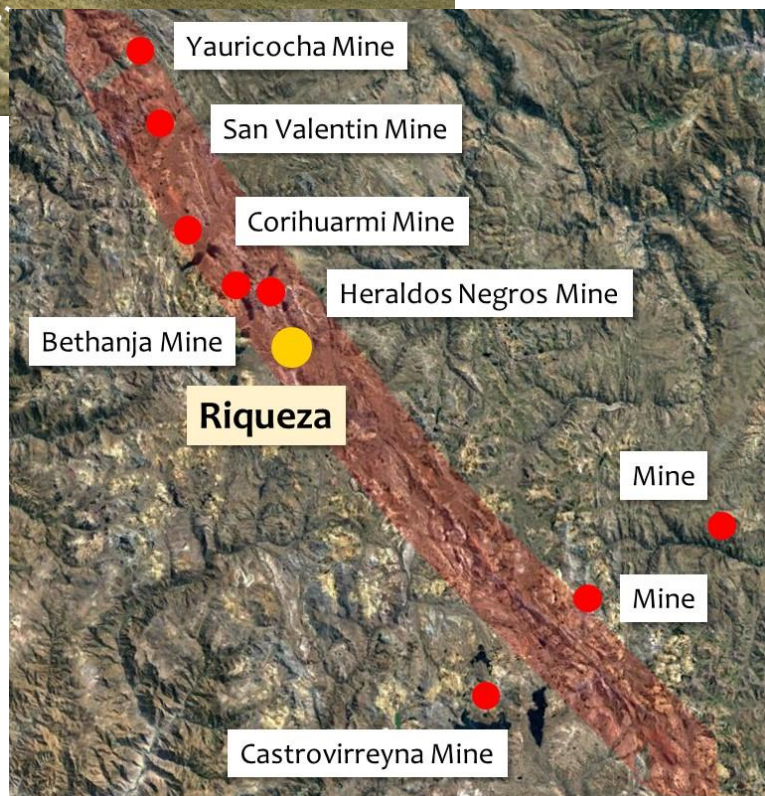


Figure 5: **RIGHT** Satellite image showing the location of the deposits near Riqueza.



The Callanchoa Structure and associated splay faults, as well as the newly discovered monzodiorite intrusion (Figure 6) are believed related to regional scale NW-SE tectonic activity. Furthermore, it is believed that i) the Humaspunco-Pinta Prospect represents the Zn-Ag-Pb replacement part of a large mineralised system, ii) the Uchpanga Prospect represents the Zn-Ag-Pb-Au-Cu hydrothermal part of a large mineralised system and iii) the mineralised contact (of the intrusion) represents the Au-Cu skarn part of a large mineralised system.

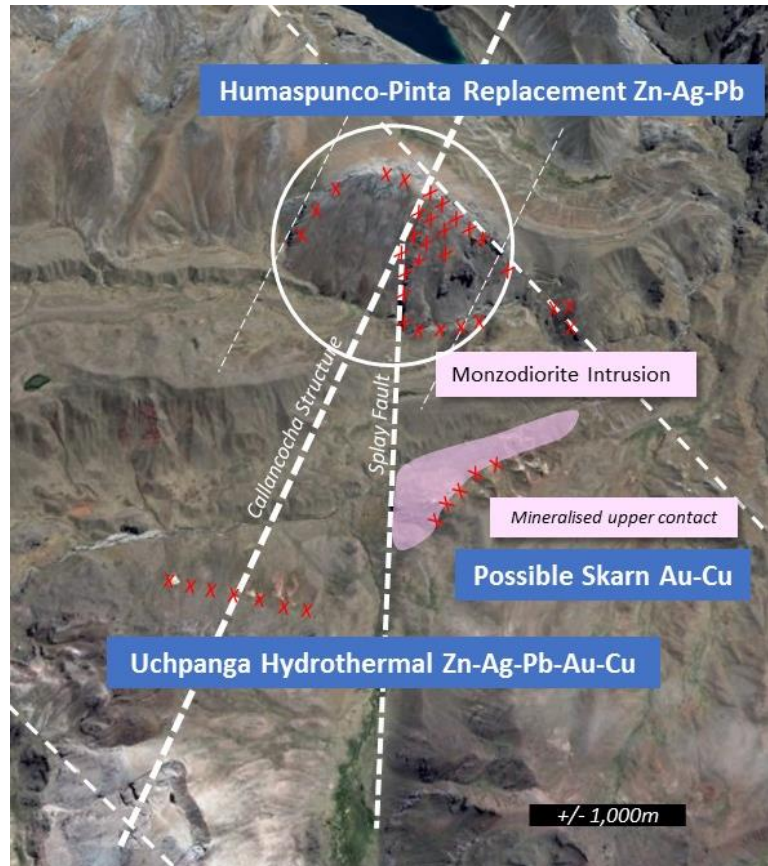
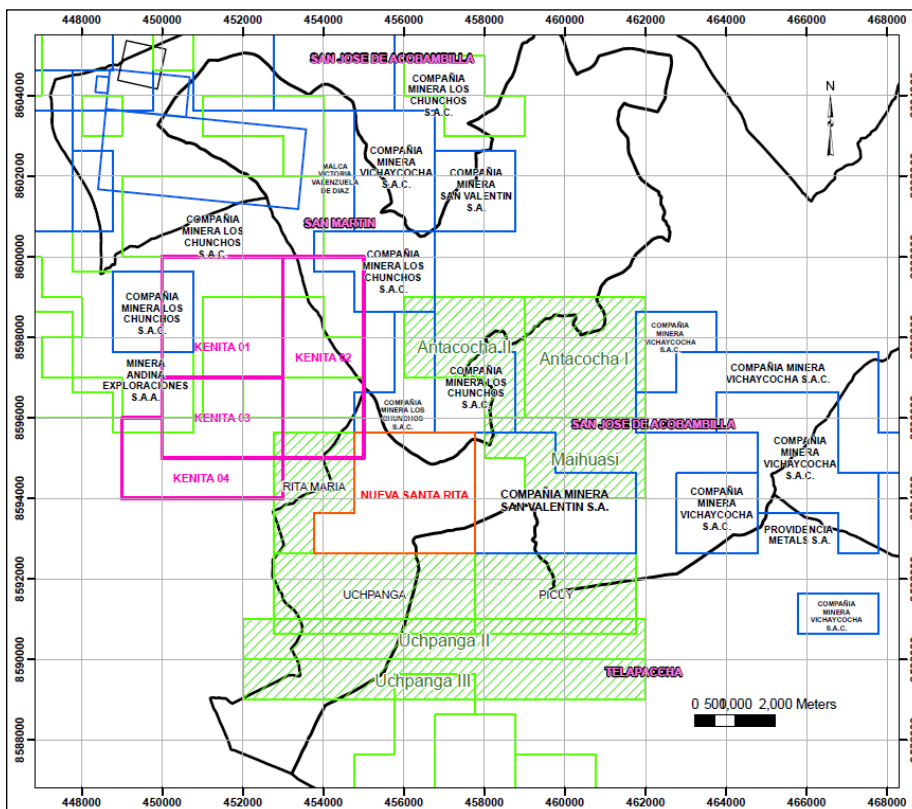


Figure 6: **RIGHT** Satellite image showing the location of the Callanchoa Structure in relation to the prospects at Riqueza and to the newly discovered monzodiorite intrusion.

BHP Billiton Become Neighbours



In mid-2016 Inca applied for eight additional concessions surrounding the original Riqueza concession, called Nueva Santa Rita (green cross-hatched areas of Figure 7). Approximately six months later, at the beginning of 2017, BHP Billiton (BHPB) applied for four mining concessions immediately NW of Inca's greater Riqueza Project area.

Figure 7: **LEFT** Concession plan at Riqueza.



It is interesting to note that BHPB has taken a considerable ground position in line with the mineral-trend between Riqueza and the Bethanja Mine (an intrusive-related replacement Zn-Ag-Pb deposit) 15kms NW of Riqueza (Figure 5). Whatever BHPB's motive, the plethora of intrusive-related replacement deposits in a confined and well-defined mineral corridor adds to Riqueza's (already substantial) prospectivity.

Next Quarter (April-June 2017)

The April-June 2017 quarter will see the continuation of the DIA drilling campaign at Riqueza. It is likely that the poor weather conditions which prevailed for the duration of the January-March quarter will abate as the dry season begins in Peru. The Company intends to regain the small amount of time lost—to bring core logging and core sampling back on schedule.

CORPORATE ACTIVITIES

During the Quarter the Company completed a share placement to existing and new shareholders. The Company raised A\$942,400 (before raising costs) through the issue of 46,800,000 fully paid ordinary shares. Monies raised are to fund the exploration activities at the Company's Peru based projects, including the drilling at Riqueza which began this Quarter.

Ross Brown
Managing Director

Competent Person's Statements

The information in this report that relates to mineralisation for the Riqueza 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 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 and Cerro Rayas projects, 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.



Table 1: List of ASX Announcements During March 2017 Quarter

ASX Announcements	Price Sensitive	Date Announced	Competent Person
March 2017 Quarter Announcements			
Riqueza Project DIA Drilling Permit Granted	YES	3/01/2017	Ross Brown
Inca Appendix 5B - December 2016 Quarter	YES	27/01/2017	
Inca Activities Report - December 2016 Quarter	YES	27/01/2017	Ross Brown
Trading Halt	YES	3/02/2017	
Share Placement	YES	7/02/2017	
Drillers Engaged for Riqueza Campaign	YES	7/02/2017	Ross Brown
Inca Share Placement Cleansing Notice & Appendix 3B	NO	9/02/2017	
Driller Mobilised & Global Major Now Neighbour at Riqueza	YES	22/02/2017	Ross Brown
Financial Report for the Half Year Ended 31 December 2016	NO	14/03/2017	Ross Brown
Largest Zinc-Silver-Lead Target to Date Defined at Riqueza	YES	16/03/2017	Ross Brown
Trading Halt	YES	17/03/2017	
Maiden Drilling Commences at Riqueza	YES	20/03/2017	Ross Brown
Riqueza Exploration Unaffected by Flooding in Peru	NO	21/03/2017	Ross Brown
Change in Substantial Holding	NO	28/03/2017	
Company Update	YES	28/03/2017	Ross Brown
Material Post-March 2017 Quarter Announcements			
Intrusion with Mineralised Margins Discovered at Riqueza	YES	12/04/2017	Ross Brown
