11 June 2014

Chanape Triples in Prospectivity

HIGHLIGHTS

- **Three new areas highly prospective for porphyry and porphyry-related mineralisation identified at Chanape**
- **Numerous tourmaline breccia pipes mapped at the summit of Chanape – defines largest breccia zone identified to date**
  - **Largest individual breccia pipe identified – approximately 200m x 200m**
  - **Several breccia veins recording +3g/t gold in rock chip sampling**
  - **Intrusive rocks identified – same as those associated with known mineralised porphyry at Chanape**
  - **Summit area coincides with strong chargeability and SP anomalies**
- **Additional intrusive rocks discovered at surface south of summit area**
  - **Intrusive rock extends over 1,000m x 600m area, with broad gold halo on western and eastern margins**
  - **Area coincides to SP anomaly**
- **Third new prospective area south west of summit area hosts numerous +1g/t gold results in veined volcanics**
- **All new prospective areas are associated with large anomaly**

Inca Minerals Limited ("Inca" or the "Company") has recently completed its Phase Three (PIII) mapping and sampling program, which ran concurrently with the Company's drilling program. The program was highly successful, identifying three new highly prospective areas (Figure 1) all occurring within the broad porphyry target area (as defined by the 2.5km x 1.0km Spontaneous Potential ["SP"] anomaly).

Mr Brown, Inca's Managing Director, said: "The results provide compelling support for our long-held view that porphyry and porphyry-style mineralisation extends across the project area. We've identified a number of gold/silver anomalies in rock chip sampling, **large tourmaline breccias, the same type as that drilled in CH-DDH012 which delivered 55m at 3.0% Cueq**, and monzodiorite-monzonite intrusions in this hitherto untested area. The combination of these geological features is a repetition of the area that hosts significant porphyry mineralisation identified in the Company's drilling."

The principal objective of the PIII program, which covered the southern half of the project area, was to identify indications of porphyry and porphyry-style mineralisation. The program involved rock-chip sampling and detailed mapping. Rock samples were collected on a 50m x 50m grid with immediate in-fill sampling where visible mineralisation was recognised. Mapping included recording of lithology and alteration type.

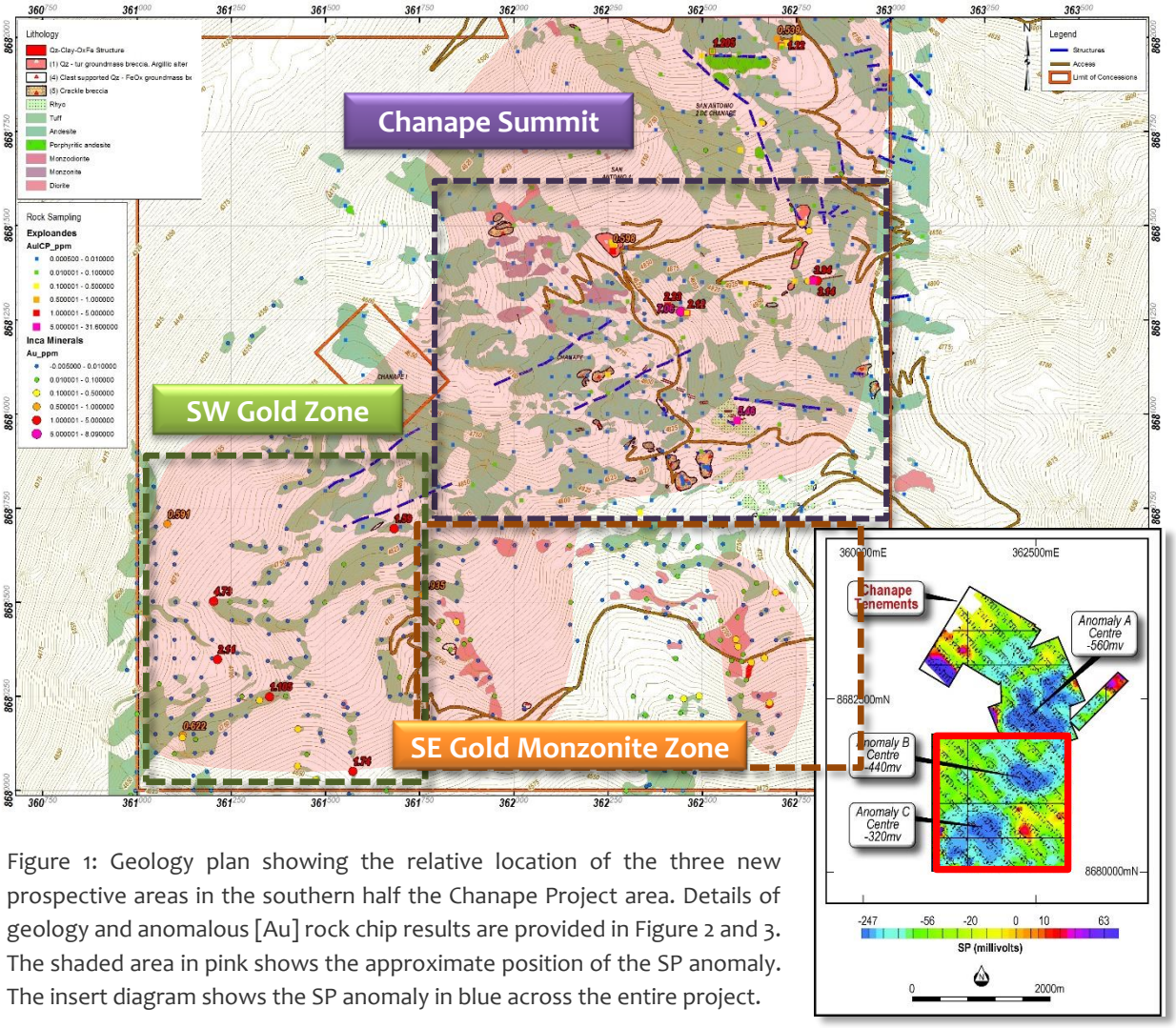

Figure 1: Geology plan showing the relative location of the three new prospective areas in the southern half the Chanape Project area. Details of geology and anomalous [Au] rock chip results are provided in Figure 2 and 3. The shaded area in pink shows the approximate position of the SP anomaly. The insert diagram shows the SP anomaly in blue across the entire project.

Chanape Summit

The Chanape Summit is located approximately 1km south of the porphyry discovery area that has been the subject of the Company's drilling efforts to date. A number of special features make the Chanape Summit area particularly prospective for porphyry and porphyry-related mineralisation. These features include:

- The occurrence of the largest clutter of hydrothermal breccia pipes discovered to date, including the largest individual breccia pipe (approximately 200m x 200m in size) (Figure 2);
- The occurrence of gold mineralisation associated with breccias including four rock chip results >3g/t Au (Figure 2);
- The occurrence of two intrusive rocks (monzodiorite and monzonite), which are the same as those associated with the known porphyry 1km to the north (Figure 2);
- The occurrence of broad argillic and phyllic alteration effecting breccias, intrusive rocks and volcanics;
- The coincidence of both a strong chargeability anomaly and SP anomaly (Figure 1) and (Figure 2).

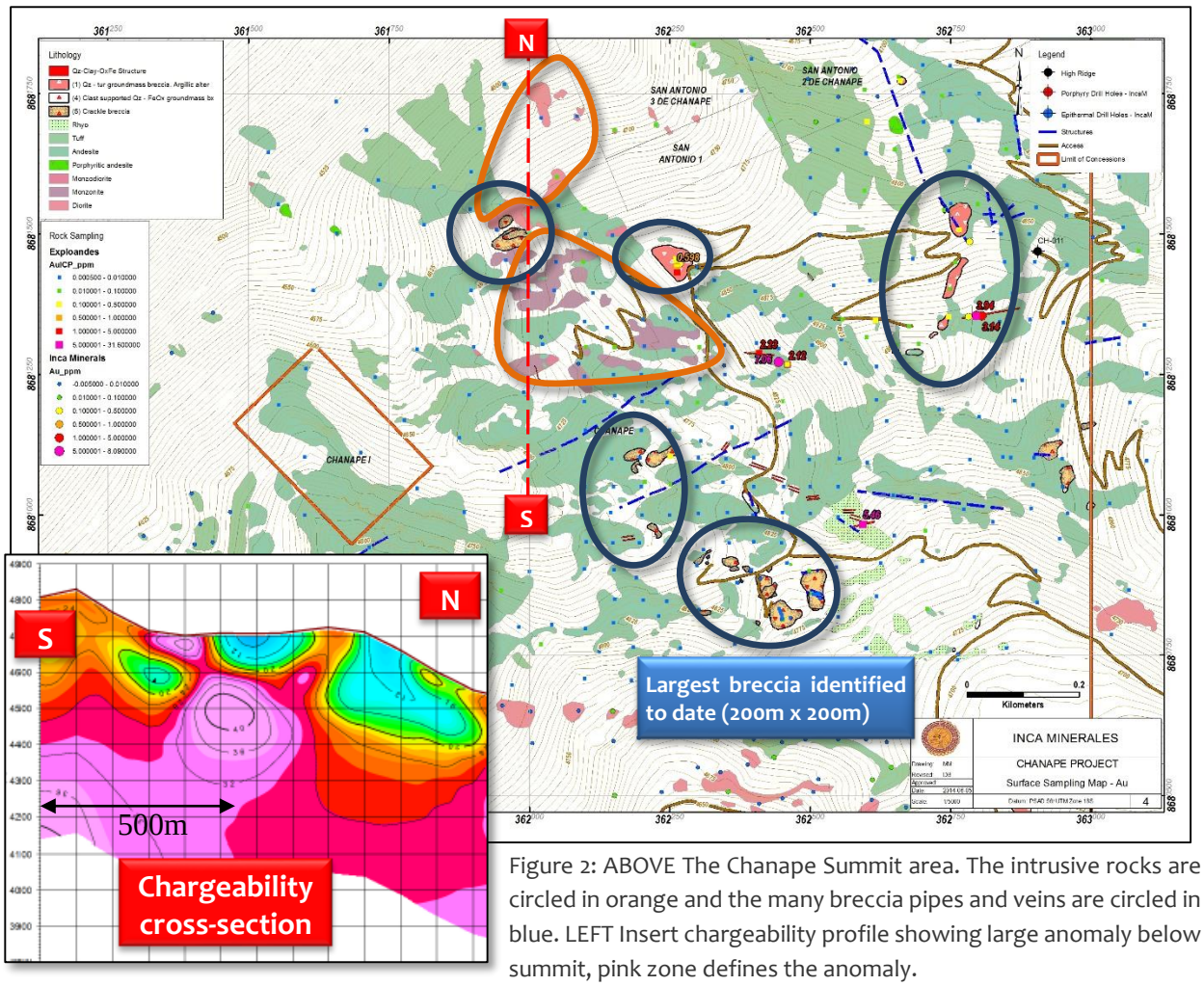

Figure 2: ABOVE The Chanape Summit area. The intrusive rocks are circled in orange and the many breccia pipes and veins are circled in blue. LEFT Insert chargeability profile showing large anomaly below summit, pink zone defines the anomaly.

Figure 3: The summit area looking from the north is broadly mineralised and highly altered (visible in the pale colouring of the slopes) and corresponds "geographically" to the remnant cone of the "porphyry volcano". Tracks already provide excellent access to the area.

SE Gold Monzonite Zone

The second new prospective area occurs south of the Chanape summit and is defined by a large [additional] monzodiorite intrusive outcrop (Figure 4). Features of this area include:

- The occurrence of a large 1,000m x 600m expanse of monzodiorite in outcrop;
- The occurrence of broad gold mineralisation associated with the monzonite's western and eastern margins;

- The coincidence of a SP anomaly with the monzodiorite (Figure 1).

SW Gold Zone

The third new prospective area occurs south west of the Chanape summit and is defined by a broad zone of volcanics with spot gold results (Figure 4). Features of this area include:

- The occurrence several +1g/t gold results in rock chip sampling; and
- The coincidence of a SP anomaly (Figure 1).

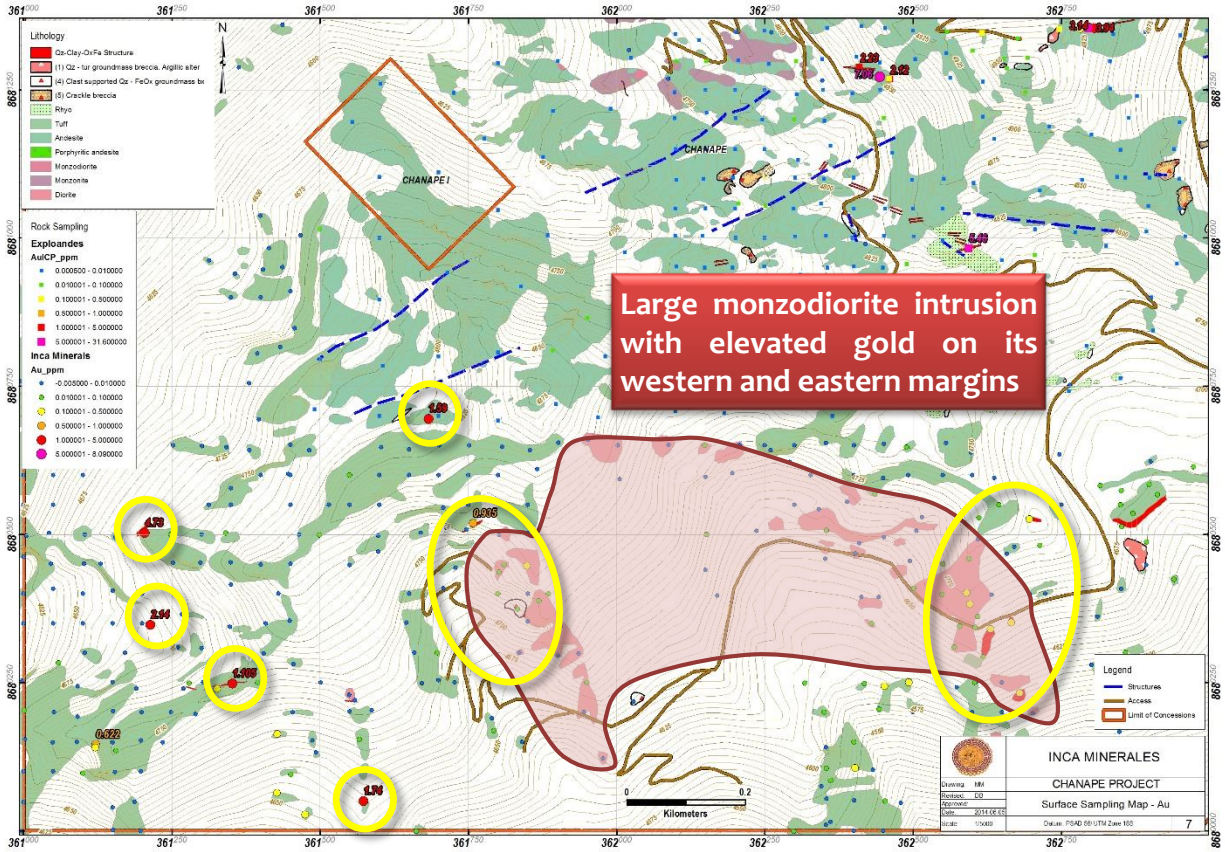

Figure 4: Both the southern and south-western areas. The large monzodiorite intrusive is shaded in pink and elevated gold in rock chip sampling is circled in yellow.

Significance of Results

The results of PIII sampling/mapping confirms the prospectivity of the entire 2.5km x 1km porphyry target area (as defined by the SP anomaly – Figure 1 insert). This effectively triples the known area of interest.

Mr Brown said: "In light of recent drilling results **[55m of 3.0% Cu*eq* in a tourmaline breccia]** the occurrence of the largest concentration of tourmaline breccias at the summit is of compelling interest. That many of these contain gold despite being heavily altered and deeply weathered only adds to the prospectivity of the area."

The repeat of the intrusive events in the southern half of the project area, which in the northern half of the project were the precoursor to porphyry mineralisation, is also of great significance. The occurrence of several additional monzodiorites and monzonites up to 2km's from those related to porphyry mineralisation identified in drilling, suggests a very broad and active porphyry setting with multiple phases of intrusion. Mr Brown added: "With each intrusion comes the possibility of further mineralisation."

The results of the PIII program, subject of this announcement, combined with the discovery of previously unknown Cu-rich tourmaline breccia (3.0% Cu*eq* tourmaline breccia – ASX announcement 27 May 2014), greatly enhances the overall prospectivity of Chanape. Although drilling has paused during negotiations with majors, drill targeting is continuing to be refined across the project area. Existing tracks across the prospective southern areas will greatly assist future drilling in this part of the project.

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Competent Person Statements

The information in this report that relates to epithermal and porphyry style mineralisation for the Chanape 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 Australian 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 "Australian 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 epithermal and porphyry style mineralisation for the Chanape 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 Australian 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 "Australian 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.

Appendix

The following information is provided to comply with the JORC Code (2012) requirements for the reporting of the above diamond drilling results on the mining concessions known as Chanape 1 and Chanape 4 (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.*	A rock chip sample program, comprising 383 samples, is the subject of this announcement. No specific reference to individual sample results is made – highlighted "best results" are included in summary point form and accurately displayed in appropriate plans.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Sampling was conducted on a 50m x 50m grid. Where visible mineralisation was mapped, immediate selective sampling was carried out.
	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.	Rock chip sampling was conducted at industry best standards. Individual samples were bagged separately. Samples have been sent to Australian Laboratory Services ("ALS") for multi-element analysis: Gold via FA-A finish (with detection limit 0.005ppm), multi-elements: Four Acid Digest ICP-AES (various detection limits). No assay results were made part of this announcement.
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.).*	NA – no drill sampling was referred to in this announcement.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	NA – no drill sampling was referred to in this announcement.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	NA – no drill sampling was 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.	NA – no drill sampling was 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.*	NA – no drill sampling was referred to in this announcement.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	NA – no drill sampling was referred to in this announcement.
	The total length and percentage of the relevant intersections logged.	NA – no drill sampling was referred to in this announcement.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	NA – no drill sampling was referred to in this announcement.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	NA – no drill sampling was referred to in this announcement.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Rock chip sampling followed industry best practise procedures.
	Quality control procedures adopted for all sub-sampling stages to maximise "representivity" of samples.	No sub-sampling procedures were undertaken by the Company.
	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.	Rock chip sampling followed industry best practise procedures. It should be noted that the primary objective of the sampling program is the identification of mineralisation. The purpose of selective rock chip sampling is to follow-up visible mineralisation, which is by its nature predisposed.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered adequate in terms of the nature of the sampling program and distribution of [apparent] mineralisation visible in the outcrop.
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.*	Assay and laboratory procedures used for the rock chip samples are considered best practise, with low-level detection levels designed to identify subtle elevations of rock geochemistry.
	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.	NA – no electronic tools/devices were used in determining geochemical/assay results.
	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.	No specific assay results were mentioned in this announcement. Nevertheless, the sample assay results portrayed in plans are independently generated by ALS who apply best practise geochemical analysis.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	No specific assay results were mentioned in this announcement. Nevertheless, the sample assay results portrayed in plans are independently generated by ALS who conduct QAQC procedures, which follow industry best practices.
	The use of twinned holes.	NA – no drill sampling was 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) is supplied to the Company from ALS in two forms: EXCEL and PDF form (the latter serving as a certificate of authenticity). Both formats are captured on Company laptops which are backed up from time to time. Following critical assessment (price

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Verification of sampling and assaying cont…		sensitivity) when time otherwise permits the data is entered into a database by a Company GIS personnel.
	Discuss any adjustment to assay data.	No adjustments were 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.*	Rock chip sample locations have been determined using a hand-held GPS.
	Specification of the grid system used.	PSAD56.
	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.*	Rock chip sample spacing was at NS-EW 50m x 50m grid. Selective rock chip sampling was carried out on the basis of outcropping extent of visible mineralisation. At each location, geological mapping was carried out, taking note of lithology, alteration, structure. Spacing for the purposes of providing broad zones of geochemical signature is considered best practise.
	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.	A/a.
	Whether sample compositing has been applied.	Sample compositing was not applied.
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.*	A/a.
	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.	NA – no drill sampling was referred to in this announcement.
Sample security	*The measures taken to ensure sample security.*	Pre-assay sample security is managed by the Company in line with industry best practices.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	The current sampling regime is appropriate for mineralisation prevalent at this project location.

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. Name: Two concessions: Chanape 1 and Chanape 4. Ownership: The concessions are registered on INGEMMET (Peruvian Geological Survey) in the name of the Company. The Company has a 5-year mining assignment agreement whereby the Company may earn 100% outright ownership of the concessions.
	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.	With further reference to above, the mining assignment agreement is in good standing at the time of writing. The concessions are all in good standing.
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	All work subject of this announcement was carried out by Inca personnel. Although no specific assay results were made part of this announcement, assay results showed in diagrams were generated by Australian Laboratory Services (Lima).
Geology	*Deposit type, geological setting and style of mineralisation.*	The geological setting of the area subject to drilling (subsequently reported in this announcement) is that of Mesozoic subduction zone, mountain-building terrain comprising of acidic and intermediate volcanics and intrusives. Porphyry intrusions and associated brecciation have widely affected the volcanic sequence, introducing epithermal, porphyry and possible porphyry-related mineralisation.
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.*	NA – no drill sampling was 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.	NA – no drill sampling was referred to in this announcement.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
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.*	NA - no weighting averages nor maximum/minimum truncations were applied.
	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.	NA – no weighting averages nor maximum/minimum truncations were applied.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	NA – no equivalents were used in the 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').*	Rock chip sample spacing was at NS-EW 50m x 50m grid. Selective rock chip sampling was carried out on the basis of outcropping extent of visible mineralisation, orientated according to mineralisation. At each location, geological mapping was carried out, taking note of lithology, alteration, structure. Orientation of sampling to mineralisation varies from data point to data point. Generally, the sampling technique used is industry best practise.
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 showing rock chip sample locations are provided to locate same.
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 the ASX announcement provides a balanced report of the rock chip sampling program.
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 reference to results of CH-DDH012. Announcements pertaining to CH-DDH012 were made on the 27 May 2014.
Further work **Further work cont…**	*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 systems that appear characteristic of this area.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	A plan showing the position of the rock chip samples indirectly referred to in this announcement provides relative positioning of the mineralisation of same.

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