



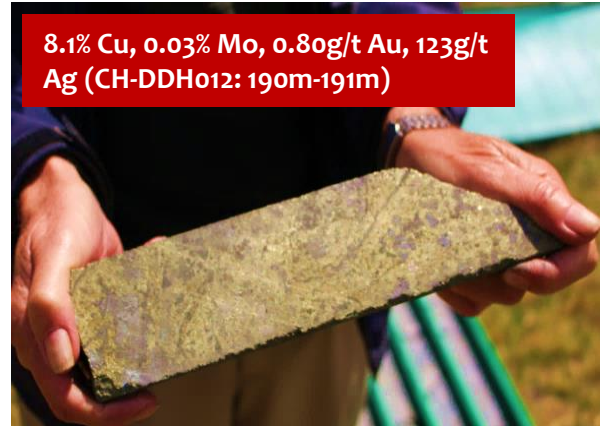
## HIGHLIGHTS

The June quarter was a standout period for Inca. The Company identified ore-grade copper (Cu), gold (Au), silver (Ag) and molybdenum (Mo) mineralisation in two new tourmaline breccias near the surface. Closely following this success the Company identified its largest tourmaline breccia in a new area 1,200m south of CH-DDH012.

### Chanape Porphyry Project – Peru

- Latest hole (CH-DDH012) intersects:
  - 55m @ 2.3% Cu, 0.60g/t Au, 42.90g/t Ag from 155m in new tourmaline breccia:
    - Including: 10m @ 5.35% Cu, 0.015% Mo, 0.96g/t Au and 83.68g/t Ag from 186m
    - Including: 4m @ 8.90% Cu, 0.025% Mo, 1.14g/t Au and 130.50g/t Ag from 188m
  - 67m @ 0.97g/t Au, 25.31g/t Ag from surface
  - 24m @ 0.52% Cu from 52m - overlapping with Au & Ag mineralisation
- 5.5% Cu in rock chip sampling of newly discovered tourmaline breccia 300m north of CH-DDH012
- Largest tourmaline breccia pipe discovered to date at the “Summit” area 1.2km south of CH-DDH012
- Summit area emerges as large new target with multiple tourmaline breccias, strong Au mineralisation, pervasive alteration and large geophysical anomalies
- Presence of Mo in new Cu-Mo-Au-Ag rich tourmaline breccia in CH-DDH012 indicative of near-surface porphyry style mineralisation
- Such mineralisation creates continuum between “upper” epithermal Au-Ag±Cu mineralisation and “lower” Cu-Mo porphyry mineralisation
- Mineralisation at Chanape now known over a vertical range of 1.3km (and open at depth)
- Major mining house interest doubles in report period – a response to grade and size indications of Chanape
- Application lodged for new drilling permit with 22,500m drilling allowance on 61 platforms provides access to 100% of project area

**8.1% Cu, 0.03% Mo, 0.80g/t Au, 123g/t Ag (CH-DDH012: 190m-191m)**



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Massive chalcopyrite  
replacing clasts and matrix  
(CH-DDH012 at 190.8m)



## Chanape Cu-Mo-Ag-Au Porphyry Project – Peru

### Drilling Program under DIA Permit Successfully Completed this Quarter

The final hole drilled under the Company's DIA drill permit was successfully completed this quarter. This hole, CH-DDH012, is the Company's best to date with ore-grade mineralisation intersected at shallow depths (ASX announcement 12 May 2014 and 27 May 2014).

Results of CH-DDH012 include:

- Mineralisation associated with a new tourmaline breccia: **55m down hole interval @ 2.3% Cu, 0.60g/t Au and 42.90g/t Ag, from 155m, including:**
  - **10m @ 5.35% Cu, 0.015% Mo, 0.96g/t Au, 83.68g/t Ag from 186m, including:**
    - **4m @ 8.9% Cu, 0.025% Mo, 1.14g/t Au, 130.50g/t Ag from 188m**
- Mineralisation associated with an upper epithermal breccia: **67m down hole interval @ 0.97g/t Au, 25.31g/t Ag from surface, including:**
  - 16m @ 1.86g/t Au, 58.96g/t Ag from 24m, and
  - 8m @ 2.30g/t Au from 52m, and
  - 13m @ 21.18g/t Ag from 52m
- A third zone of mineralisation associated with the hanging wall of the upper breccia and the footwall volcanics: **24m down hole interval @ 0.52% Cu from 50m, including: 3m @ 2.06% Cu from 62m**

The new metal-rich breccia in hole CH-DDH012 is a polymitic tourmaline-dominant breccia comprising highly altered Cu-sulphide bearing porphyry clasts and tourmaline-Cu sulphide bearing silicified matrix (Figure 1). The occurrence of Cu-bearing clasts (broken fragments of rock) reaffirms the existence of a similarly-mineralised porphyry at depth.

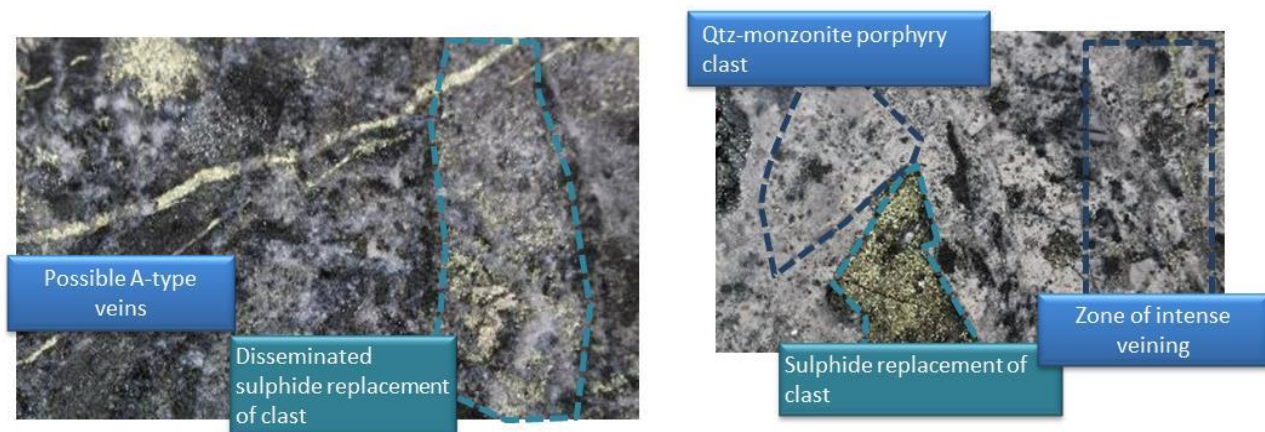


Figure 1: Detail of the new Cu-Mo-Au-Ag rich tourmaline breccia showing the highly altered (phyllic) nature of the clasts and matrix material.

At 501m CH-DDH012 intersected a monzonite intrusive stock. Phyllic alteration is pervasive with zones of potassic alteration and tourmaline brecciation (Figure 2). Sulphides include pyrite and chalcopyrite, with the former being the dominant sulphide mineral (ASX announcement 23 May 2014).





Figure 2a) CH-DDH012 at 516m: Tourmaline (high temperature alteration mineral) brecciation of locally phyllic-altered monzonite intrusion with sulphides.



Figure 2b: CH-DDH012 at 517m: Intense brecciation of phyllic-altered monzonite with tourmaline and sulphides. As is the case in Figure 2a) the tourmaline and sulphides are closely associated. Banded fine-grained disseminated sulphides with sericite are circled.

### Phase Three Mapping Commenced this Quarter

The Company commenced its Phase Three (PIII) mapping and sampling program in the central and southern parts of the Chanape Project area. The program was designed to identify drill targets in this area. The program was highly successful (ASX announcement 11 June 2014), identifying three new highly prospective areas all occurring within the broad porphyry target area (as defined by the 2.5km x 1.0km Spontaneous Potential ["SP"] anomaly) (Figure 4).

The Chanape Summit is located approximately 1,200m south of CH-DDH012. A number of special features make the Chanape Summit area particularly prospective for porphyry and porphyry-related mineralisation (Figure 4). These features include:

- The largest cluster of hydrothermal tourmaline breccia pipes discovered to date (Figure 3), including the largest individual tourmaline breccia pipe (approximately 200m x 200m in size);
- Strong gold mineralisation associated with tourmaline breccias including a peak value of 7.06g/t;
- Two intrusive rocks (monzodiorite and monzonite), which are the same as those associated with the known porphyry 1km to the north;
- Broad argillic and phyllic alteration affecting breccias, intrusive rocks and volcanics (Figure 3).



Figure 3: Mount Chanape – the Summit area seen from the north. The highly altered nature of the area is seen in the discolouration at the rocks. A number of the breccias, visible in the photograph, are highlighted in yellow (not all breccias are highlighted).





The SW Gold and the SE Gold Monzonite zones are also considered highly prospective for both epithermal and porphyry style mineralisation. The monzonite stock identified in the south east quadrant of the project occurs within the SP anomaly and has elevated levels of gold (in rock chip sampling). Both southern areas are expected to be mapped and sampled in the up-coming quarter.

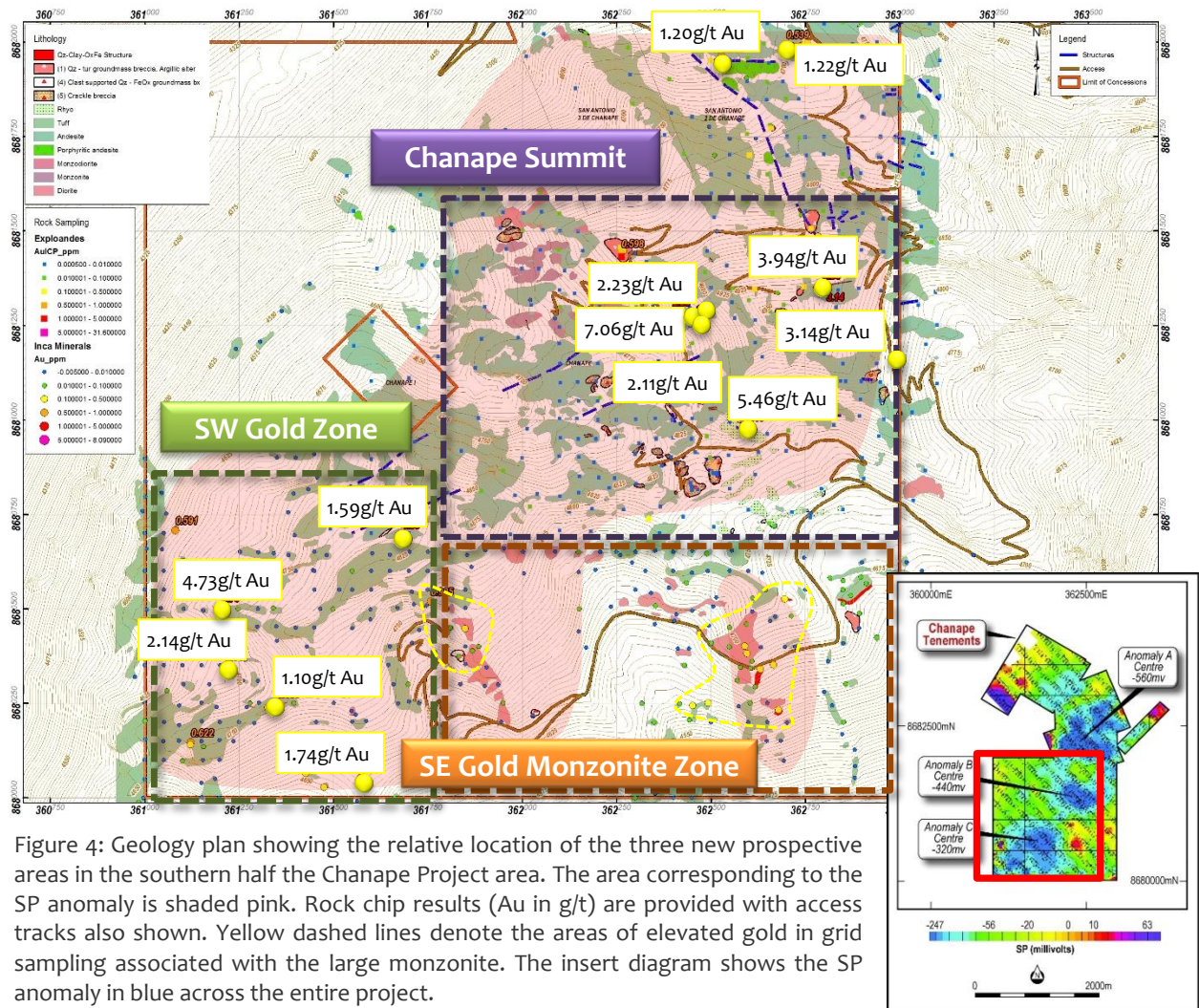


Figure 4: Geology plan showing the relative location of the three new prospective areas in the southern half the Chanape Project area. The area corresponding to the SP anomaly is shaded pink. Rock chip results (Au in g/t) are provided with access tracks also shown. Yellow dashed lines denote the areas of elevated gold in grid sampling associated with the large monzonite. The insert diagram shows the SP anomaly in blue across the entire project.

### New Drill Permit at Chanape Submitted

The Company submitted a Semi-Detailed Environmental Impact Assessment (sdEIA) drill permit this quarter to replace the existing DIA drill permit. Once granted the sdEIA is valid for two years. It is a higher level, higher capacity drill permit with an allowance of 22,500m and 61 drill platforms which will cover the entire project area.

*It is interesting to note that the Toromocho Cu-Mo-Ag porphyry deposit was sold in 2007 after 88,000m of drilling for US\$800M. Inca's sdEIA delivers a quarter of this amount of drilling.*



### Major Mining Houses visit Chanape this Quarter

The number of Confidentially Agreements (CA's) signed with major mining houses rose to nine this quarter. Eight site visits were conducted with further site visits expected to occur in the upcoming September 2014 quarter.

The Company holds a strong view that Chanape hosts a large, fully preserved Cu-Mo-Ag-Au porphyry system (not unlike the mega-sized Toromocho deposit 30kms away). The results of this quarter manifestly support this view and the increased interest shown from major mining houses provide independent validation. Consequently, the Company is carefully progressing its discussions with potential partners.

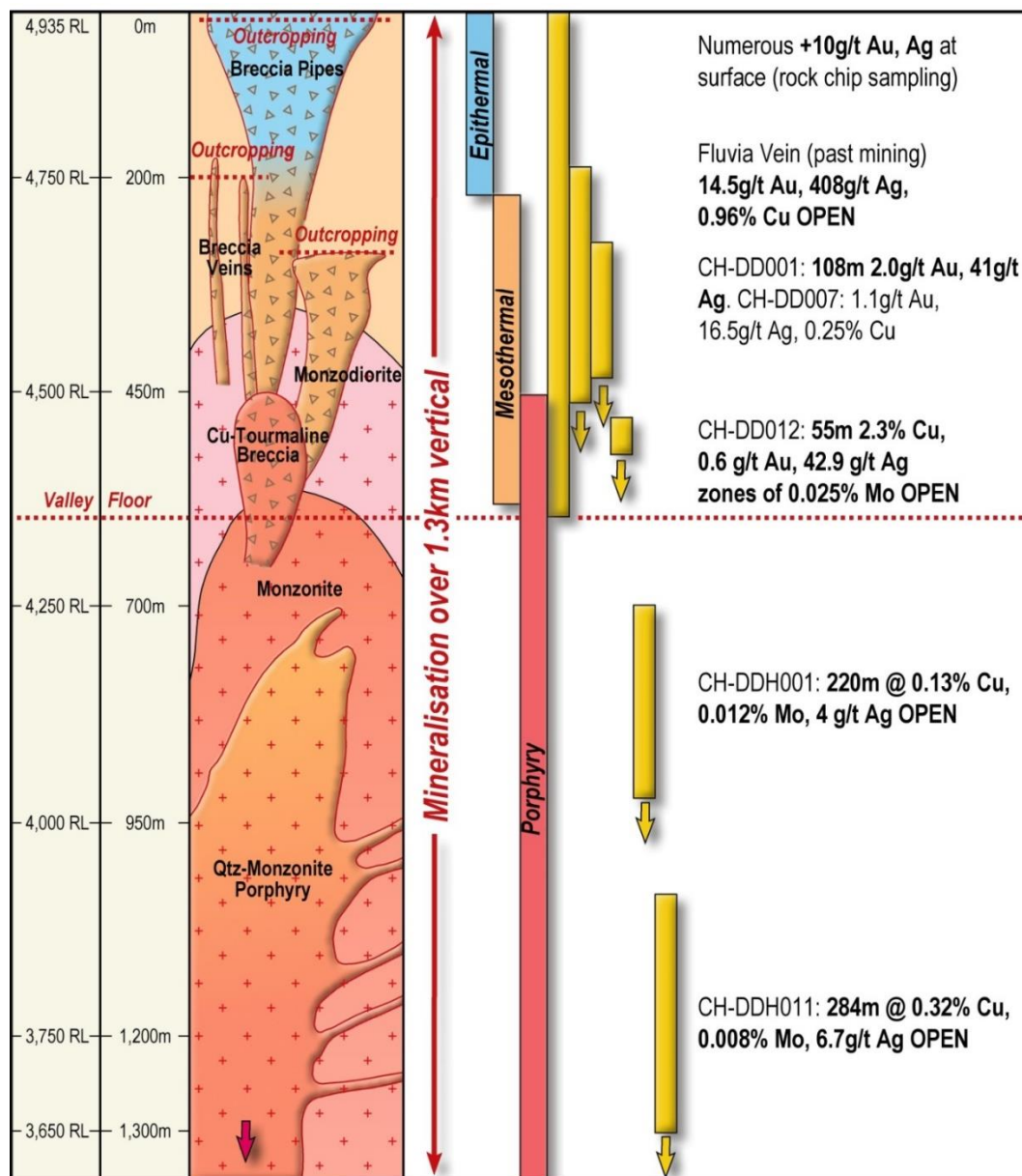


Figure 5: Schematic vertical section of Chanape, with absolute elevations and relative height; solid geology interpretation; principal forms of mineralisation and exploration results (rock chip and drilling results). The lowest point within the Chanape Project is marked (Valley Floor). Much of the known mineralisation is above this level. Refer also to Figure 6.





### Significance of Results of this Quarter and Next Steps

The results reported in ASX announcements throughout the June quarter (Table 2) are exceptional. Importantly:

- As well as adding to the known extent of ore-grade Au-Ag at/near surface, the Company has identified ore-grade Cu-Mo mineralisation at shallow depths in CH-DDH012: 55m at 2.3% Cu, 0.60g/t Au, 42.90g/t Ag with a 10m section with additional 0.025% Mo.
- Mineralisation with a porphyry “metal mix” (Cu & Mo) is now known to occur close to the surface – indicating that hot porphyry mineralising processes are extending upwards from the porphyry stock below. This new mineralisation now forms a continuum of mineralisation between upper epithermal mineralisation and lower porphyry-hosted mineralisation.
- Porphyry and porphyry-related mineralisation is now known to occur over a vertical range of 1.3kms (Figure 5 & 6), from epithermal Au mineralisation at the highest point of Mount Chanape to porphyry Cu-Mo mineralisation in the deepest hole (CH-DDH011: 284m at 0.32% Cu, 83ppm Mo and 6.73g/t Ag - open ended).
- The identification of a highly mineralised tourmaline breccia in close proximity to existing drilling (5.5% Cu 300m north of CH-DDH012) not only adds to the known inventory of mineralisation but demonstrates the widespread nature of mineralisation in this part of the project.
- The identification of the largest tourmaline breccia pipe at the Summit with coincident gold mineralisation, alteration and geophysical anomalies in the vicinity provides tremendous up-side potential for the broader project area.
- The Company has drill tested less than 10% of the prospective area as defined by the 2.5km x 1km SP anomaly. With the granting of the new sEIA, the newly identified prospective areas in the central and southern parts of the project become accessible for drilling.

The Company expects granting of the sEIA in the upcoming quarter and continued progress in its discussions with major mining houses. In addition, the Company will continue assessing the new results generated during the June quarter, particularly those associated with the newly identified tourmaline breccias. The new Cu occurrences, especially that which was identified in CH-DDH012, are being closely analysed (geophysical expression, outward projections) and further work in the Summit area and two southern areas will add to the growing number of new drill targets.



Figure 6: The 30-man field camp nestled in the valley provides scale of the mineralised system being defined at Chanape. The height difference of  $\pm 640\text{m}$  between the summit and the valley is equivalent to only half the vertical extent of mineralisation at Chanape. Also visible in Figure 6 is the discolouration of the rock as alteration increases towards the summit.



## Corporate Activities

### Fund Raising

In April 2014 the Company successfully completed a fully subscribed capital raising of \$1.25 million through placement of 69.44 million fully paid ordinary shares to professional and sophisticated investors at \$0.018 per share. Funds raised through the Placement were used as additional working capital and primarily to facilitate the continuing analysis of data and exploration at Chanape inclusive of the drilling program which commenced in May 2014.

### General Meeting

On 23 June 2014 the Company conducted a General Meeting of Shareholders at which all resolutions were passed by the requisite majority on a show of hands.

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**Ross Brown**

Managing Director

### Competent Person's Statements

The information in this report that relates to gold, copper, silver, zinc epithermal and porphyry style mineralisation for the Chanape Project, located in Peru, and to nickel mineralisation hosted by ultramafic sequences in Western Australia, 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 "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 reports/data regarding gold, copper, silver, zinc epithermal and porphyry style mineralisation for the Chanape Project, located in Peru, and nickel mineralisation hosted by ultramafic sequences in Western Australia, 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. The Company is not aware of any new information or data that materially affects the information in this report and such information 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 "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: Drill Hole Parameters

Hole Number	Coordinates			Height above sea level	Azimuth	Dip	Total Depth
	Easting	Northing	Datum				
CH-DDH012	362445mE	8682184mN	PSAD56	4,638m	45°	80°	660m



Table 2: ASX Announcements Released 1 April 2014 - 22 July 2014

ASX Announcement	Date Announced	Competent Person
Inca's Dingo Range Nickel Project	14 April 2014	Ross Brown
Trading Halt	15 April 2014	N/A
Change of Share Registry's Address	17 April 2014	N/A
Suspension from Official Quotation	17 April 2014	N/A
Inca Capital Raising Successful	22 April 2014	N/A
Reinstatement to Official Quotation	22 April 2014	N/A
Inca March 2014 Quarterly Activities Report	30 April 2014	Ross Brown
Inca Share Placement – Listing Rule 3.10.5 and Sec 708A	2 May 2014	N/A
Form 605 – Notice of Ceasing to be Substantial Shareholder	2 May 2014	N/A
Drilling Resumes at Chanape	6 May 2014	Ross Brown
Appendix 3B	6 May 2014	N/A
Copper Mineralisation Intersected in CH-DDH012	12 May 2014	Ross Brown
Notice of General Meeting	23 May 2014	N/A
Fourth Deep Hole Successfully Completed at Chanape	23 May 2014	Ross Brown
Trading Halt	26 May 2014	N/A
Trading Halt Request	26 May 2014	N/A
55m of 3% Copper Equivalent in New Breccia at Chanape	27 May 2014	Ross Brown
Chanape Site Visits by Major Resource Companies	3 June 2014	Ross Brown
Chanape Triples in Prospectivity	11 June 2014	Ross Brown
Company Presentation June – July 2014	16 June 2014	Ross Brown
Amended Company Presentation	18 June 2014	Ross Brown
Inca Minerals Limited General Meeting 23 June 2014 Results	23 June 2014	Ross Brown
Investor Presentation Update – Chinese and English Versions	2 July 2014	Ross Brown
Dingo Range Nickel Project Update	4 July 2014	Ross Brown
Argonaut Securities Research – Junior in Giant Country	7 July 2014	N/A
5.5% Copper in Newly Discovered Breccia	17 July 2014	Ross Brown