HIGHLIGHTS

Chanape Project - Peru

During the September 2014 quarter the Company focussed on important pre-drill activities while awaiting granting of its semi-detailed Environmental Impact Assessment drill permit (sdEIA) (submitted late June 2014). In addition to pre-drill target generation and refinement activities the Company continued its dialogue with majors while stewarding the sdEIA through the early stages of assessment. In summary, activities during the September 2014 quarter included:

- **Generation of additional drill targets through mapping and rock chip sampling**
    - A new copper (Cu), gold (Au), silver (Ag) tourmaline breccia containing peak values of **5.5% Cu, 2.2g/t Au and 51.1g/t Ag** was identified near drill hole CH-DDH012. The Cu-values are the highest of any Chanape breccia identified at surface to date.
- **Generation of additional drill targets through talus sampling**
    - A talus (scree) sampling program designed to test for mineralisation in non-outcrop areas at Chanape produced strong Cu, Au and Ag anomalies indicative of significant mineralisation in the northern, summit and southern parts of Chanape.
    - Strong talus sample Cu-Au-Ag anomalies coincide with: a large intrusion in the southern part of the project area, a large tourmaline breccia cluster in the summit area, and a known gold-bearing Violeta breccia cluster in the northern part of the project area.
- **Generation of additional drill targets through channel sampling**
    - Very high grade gold (Au), silver (Ag) and lead (Pb) values were recorded in a channel sampling in the summit and southern areas of Chanape.
    - Peak values of two-metre channel samples include: M183375: **12.65g/t Au, 746g/t Ag, 14.95% Pb**, M183365: **9.11g/t Au, 88.40g/t Ag**, M183356: **7.25g/t Au, 94.10g/t Ag**, M183419: 4.17g/t Au, 17.30g/t Ag, 1.85% Pb, M183413: 3.96g/t Au, 59.20g/t Ag, 2.28% Pb.
    - Results indicate high grade epithermal mineralisation in undrilled tourmaline breccia zones in these areas.
- **Refinement of drill targets through geophysics IP remodelling**
    - An Induced Polarisation ("IP") data remodelling program identified a volumetrically extensive (1.5km x 0.75km x 0.5km) chargeability anomaly that defines the potential sulphide zone of the porphyry system at Chanape.
    - Significantly the chargeability anomaly is coincident with the new high-grade epithermal zones at the summit delineated in channel sampling, and is coincident with porphyry mineralisation identified in deep drill holes CH-DDH001 and CH-DDH011.
- **Additions to rich metal-mix at Chanape through re-assaying tungsten**
    - Re-assaying tungsten that was initially recorded in a tourmaline breccia (in drill hole CH-DDH012) returned +1% levels of tungsten.

- Tungsten intervals include: **6m down-hole width at 1.22% WO3 from 54m**, within **9m down-hole width at 1.08% WO3 from 53m**, within 21m down-hole width at 0.65% WO3 from 41m, with peak tungsten levels of: **1.83% WO3 at 61-62m** (occurring with 0.5g/t Au, 7.2g/t Ag and 0.33% Cu) and **1.77% WO3 at 57-58m** (occurring with 2.13g/t Au, 11.4g/t Ag and 0.34% Cu).
- The tungsten mineralisation is spatially related to an upper tourmaline breccia also mineralised in gold (Au), silver (Ag), copper (Cu) and zinc (Zn).

- **Further visits by major mining houses**
  - Additional CA's executed and site visits were conducted. At the time of writing a major mining company is undertaking its third site visit at Chanape.
- ***sd*EIA drill permit progresses**
  - The sdEIA was submitted late in the previous quarter and is now being assessed by the relevant authorities. Through the experience gained by having been granted permits in the past, the Company is monitoring the progress of the sdEIA in an earnest and respectful manner.

Corporate

- **Capital raising**
  - $3.2M capital raising completed this quarter.

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PROJECT ACTIVITIES

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

The September 2014 quarter saw the addition and refinement of a number of high-priority drill targets at Chanape. Several new high grade zones of mineralisation were identified in sampling programs and a 3D shape of a large chargeability anomaly, which is spatially related to known mineralisation, was created by the recalibration and remodelling of IP geophysical data.

The Company has effectively tripled the prospective area at Chanape and has established a discrete chargeability sulphide zone, 1.5km x 0.75km x 0.5km in size, the 3D projection of which greatly assists drill planning and quantification of project upside. These results are well timed ahead of the Company's planned resumption of drilling to be triggered by the granting of a new 22,500m, 61 platform sdEIA permit.

5.5% copper (Cu) in newly discovered breccia (ASX announcement 17 July 2014)

A Cu-rich tourmaline breccia pipe was discovered in a mapping and sampling program conducted during the September 2014 quarter. It contains the highest Cu values of any outcropping breccia pipe at Chanape known to date. Cu values range from 0.01% to 5.5%, with Au values ranging from 0.034g/t to 2.2g/t (av. 0.5g/t Au) and Ag values ranging from 1.7g/t to 51.1g/t. The breccia was discovered 300m north of CH-DDH012 and is a hydrothermal tourmaline breccia with visible Cu-mineralisation (chrysocolla and malachite). The high Cu levels and extent of tourmaline alteration makes it similar to the Cu-tourmaline breccia identified in CH-DDH012 (the Company's last hole drilled in the previous quarter).

As reported in the Company's ASX announcement (27 May 2014), CH-DDH012 intersected a Cu-rich tourmaline breccia at 155m down-hole depth. It contains 2.3% Cu, 0.60g/t Au, 42.90g/t Ag over 55m (down hole intersection), with an interval of 0.025% Mo. It is an important result as it confirms ore-grade porphyry-style mineralisation (Cu-Mo-rich) close to the surface, thus providing a nexus between Au-Ag±Cu epithermal zones of mineralisation at surface and the Cu-Mo-Ag±Au porphyry zones of mineralisation at depth.

The occurrence of very strong Cu mineralisation occurring at or near the surface within Inca's drill target area (an area encapsulating CH-DDH001/008/011/012) is significant. It demonstrates an inventory of at or near surface zones of strong Cu mineralisation is now adding to the existing inventory of Au and Ag mineralisation, especially in the area near and northward from CH-DDH001/CH-DDH012. This inventory, which includes this new breccia, the breccia in CH-DDH012 and the Cu-rich vein swarms, defines a significant zone of at or near surface Cu-Au-Ag mineralisation.

Strong copper, gold, silver anomalies in talus sampling (ASX announcement 7 October 2014)

A talus (scree) sample program during the September 2014 quarter involved the collection of 103 talus samples and covered a wide part of the Chanape project area. The Company considers approximately 50% of the talus samples as anomalous and indicative of mineralisation upslope from the sample location.

The lateral spread of anomalous talus samples is indicative of widespread mineralisation in the northern, central and southern areas of Chanape and brings into sharp focus the high levels of prospectivity of the breccias and intrusive rocks that were recently discovered in the summit and southern areas of Chanape (previously announced 11 June 2014).

The talus sample results indicate the occurrence of Cu, Au and Ag mineralisation in close association with a large (1,000m x 600m) monzonite/monzodiorite intrusion in the southern part of Chanape (Figure 1). The monzonite/monzodiorite intrusion is the same rock type that forms part of the mineralised porphyry sequence encountered in drill holes CH-DDH001, CH-DDH011 and CH-DDH012. The spread of talus sample anomalies in this area also indicates proximal mineralisation associated with veins and breccias that occur beyond the outer limits of the intrusion. In addition, the talus sample results indicate the occurrence of Cu, Au and Ag mineralisation in close association with the largest individual tourmaline breccia and largest breccia cluster occurring at Chanape at the summit area. The summit area also hosts two intrusive stocks and widespread argillic and phyllic alteration.

The Violeta breccia cluster is an additional area of interest based on talus sample results. The breccias are contributing to a lateral dispersion halo of Cu, Ag and Au on the opposing valley side to that of other mineralised breccias. Although the Violeta breccias are known to contain gold, the talus results adds focus to this new area for drill testing.

The degree of mineralisation and spread of the talus sampling anomalies at Chanape is significant:

- In terms of degree of mineralisation: The talus anomalies are measured in parts of million (ppm), and in some cases as fractions of a percentage. This is indicative of relatively strong Cu-Au-Ag mineralisation up-slope from the talus sample locations.
- In terms of spread: The talus anomalies occur over a broad area. Given the topography, the results are indicative of multiple zones of "up-slope" mineralisation. In the summit and southern areas of Chanape, either multiple zones of mineralisation or a large single zone of mineralisation has contributed to the talus anomalies. At the summit – mineralisation is "spreading" down-slope to the

north and east (Figure 1), in the southern area, mineralisation is "spreading" down-slope to the northwest, southwest and southeast (Figure 1).

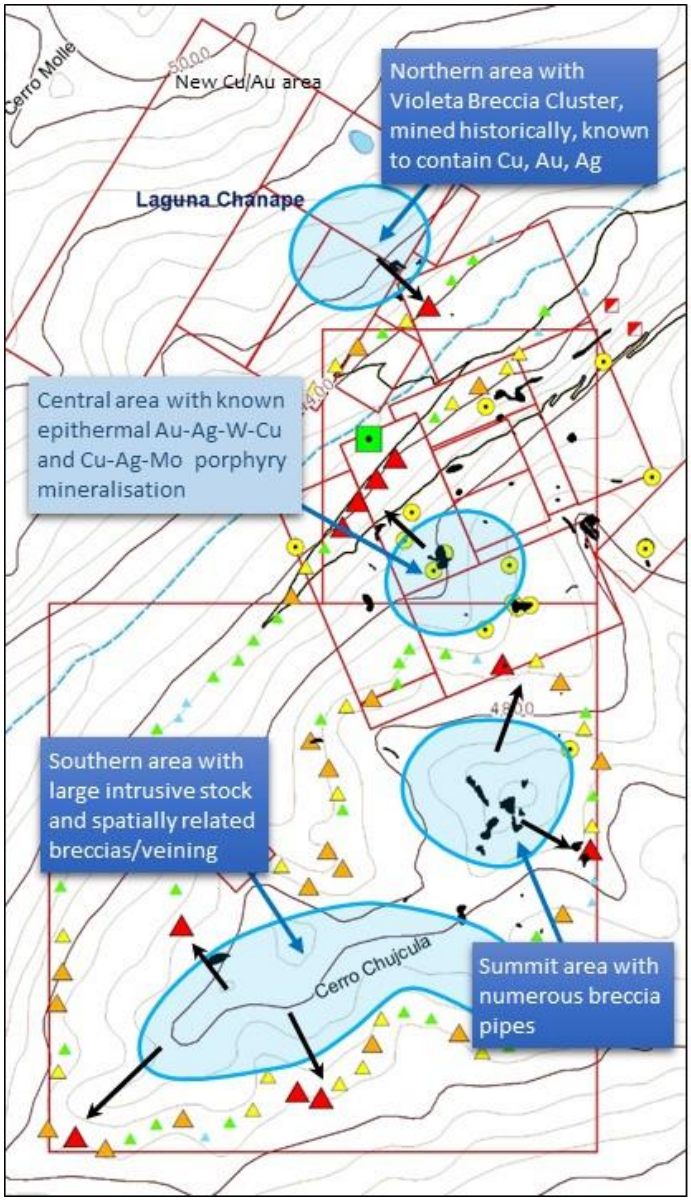

Figure 1: Talus sample locations (△) on contour plan of Chanape showing location of Cu/Au anomalies "up-slope" from talus sample anomalies (▲High △Medium ▲Low).

Channel-Sample program: 12.6g/t gold, 746g/t silver, 14.96% lead (ASX announcement 22 October 2014)

The Company commenced a channel-sample program during the September 2014 quarter which targeted previously sampled, but as yet undrilled, breccia occurrences in the summit and southern areas of Chanape. The program identified a number of high grade breccia zones in the summit and southern areas of Chanape (Figure 2). The resulting very high values of Au, Ag and Pb (12.6g/t Au, 746g/t Ag and 14.96% Pb) in the two-metre channel samples are indicative of strong epithermal mineralisation that typically occurs above porphyry deposits. Elevated levels of Cu and Mo are also recorded in this part of the project and are an indication that hotter mineralising conditions, like that associated with porphyry mineralisation, occur in proximity to the summit and southern areas.

The peak sample result of this program, a two-metre channel sample with 12.65g/t Au, 746g/t Ag, 14.96% Pb, corresponds to an undrilled breccia structure in the summit area.

At each sample location, the channels were conducted perpendicular to the breccia trend and each individual channel sample comprised a continuous, unselective two metre section of breccia. To have such high grades of mineralisation in two-metre samples and in such circumstances is both unusual and very exciting. The fact that these high grade zones of mineralisation are being recovered where a strong chargeability anomaly occurs at the surface adds considerable excitement to these new sample results [Refer below]. That the same chargeability anomaly defines a potential sulphide body up to 1.5km long, 0.75km across and 0.5km deep is a very positive result for the Company. For the first time we have a modelled 3D shape – a discrete target that may assist in quantifying the upside potential of Chanape.

Geophysics review identifies very large chargeability anomaly (ASX announcement 22 October 2014)

The Company also reviewed its IP geophysical data of the Chanape Project during the September 2014 quarter. The data of two IP surveys were remodelled and new 3D inversions were generated. Two discrete chargeability anomalies have been identified at Chanape (Figure 3). The largest is a twin-bell-shaped anomaly approximately 1,500m x 750m in area (surface projection). The second chargeability anomaly is smaller but is open to the north (occurring on the limit of the IP survey).

The southern bell part of the chargeability anomaly has an angled (or plunging) bell shape that expands at depth and towards the surface (Figure 3 & 4). It "breaches" the surface at Chanape summit where Inca's high grade Au, Ag, Pb channel samples have just been recorded (refer above).

The northern bell part of the chargeability anomaly closely coincides with the known extent of the porphyry. CH-DDH011 (containing 284m at 0.32% Cu, 83ppm Mo and 6.73g/t Ag) enters the chargeability anomaly on its eastern flank (Figure 3). This 284m mineralised interval, which is in fact open-ended at depth, extends well beyond the interpretable depth of the IP data.

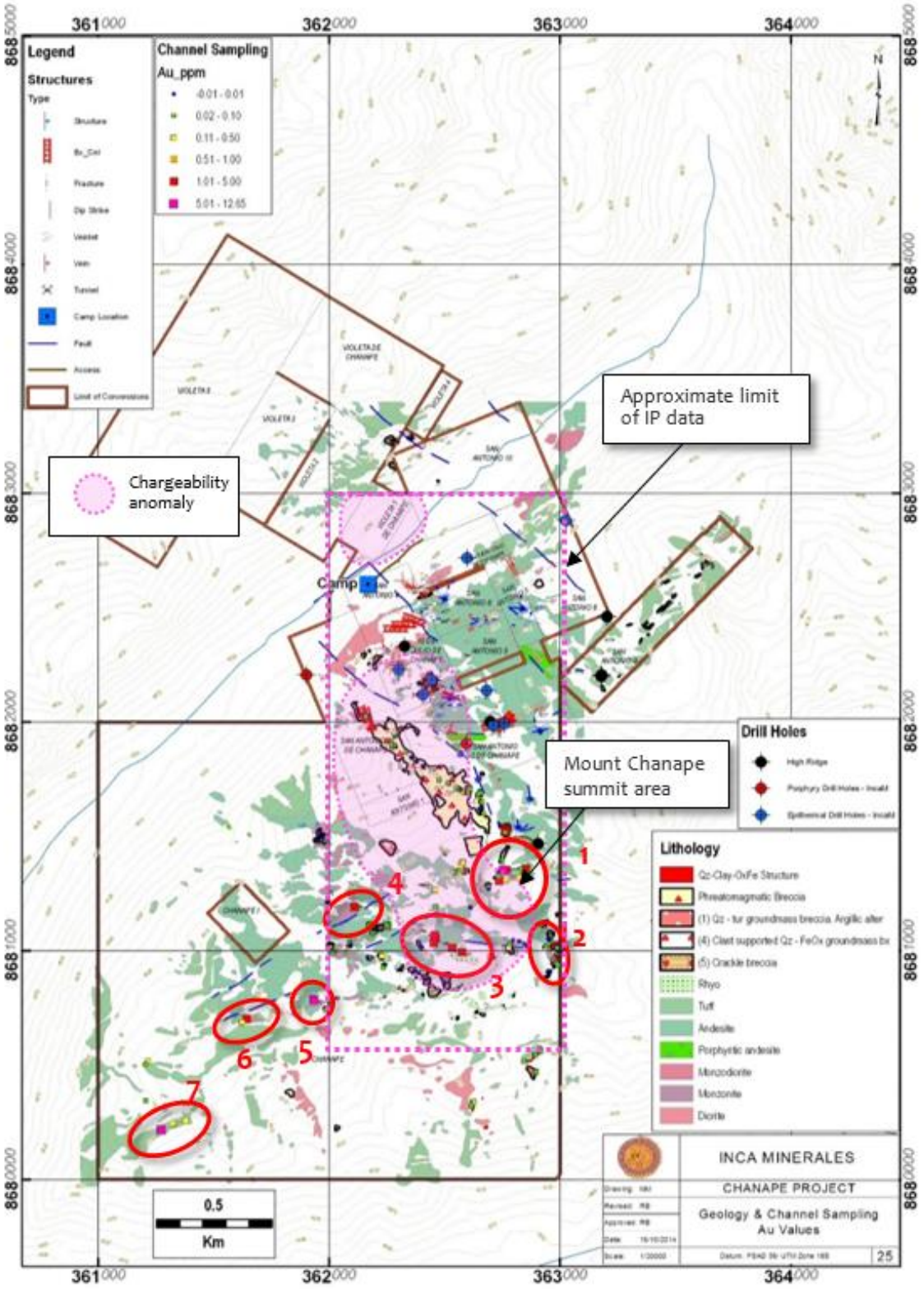

Figure 2: Channel-sample results (Au) with the highlighted breccia zones with strong Au mineralisation. The seven breccias with >1g/t Au are indicated by red circles. The very high Ag and Pb values largely coincide with the Au-bearing breccias. The polymetallic nature of the breccias at the summit reflect the relatively higher position this area has in relation to the porphyry system occurring below.

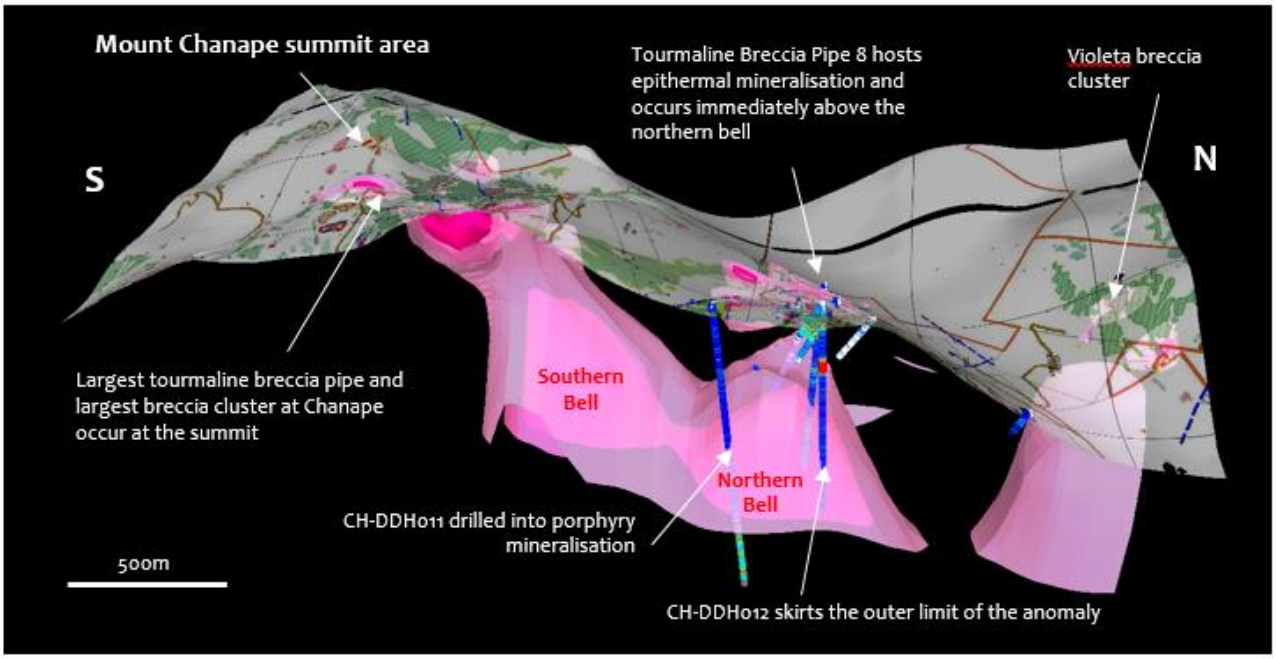

Figure 3: A 3D projection facing WSW showing chargeability anomalies (pink/red) and drill hole projections. The main chargeability anomaly closely coincides with the known porphyry and extends to and surfaces at the summit. The second chargeability anomaly, further north, occurs below the Violeta cluster of breccia pipes.

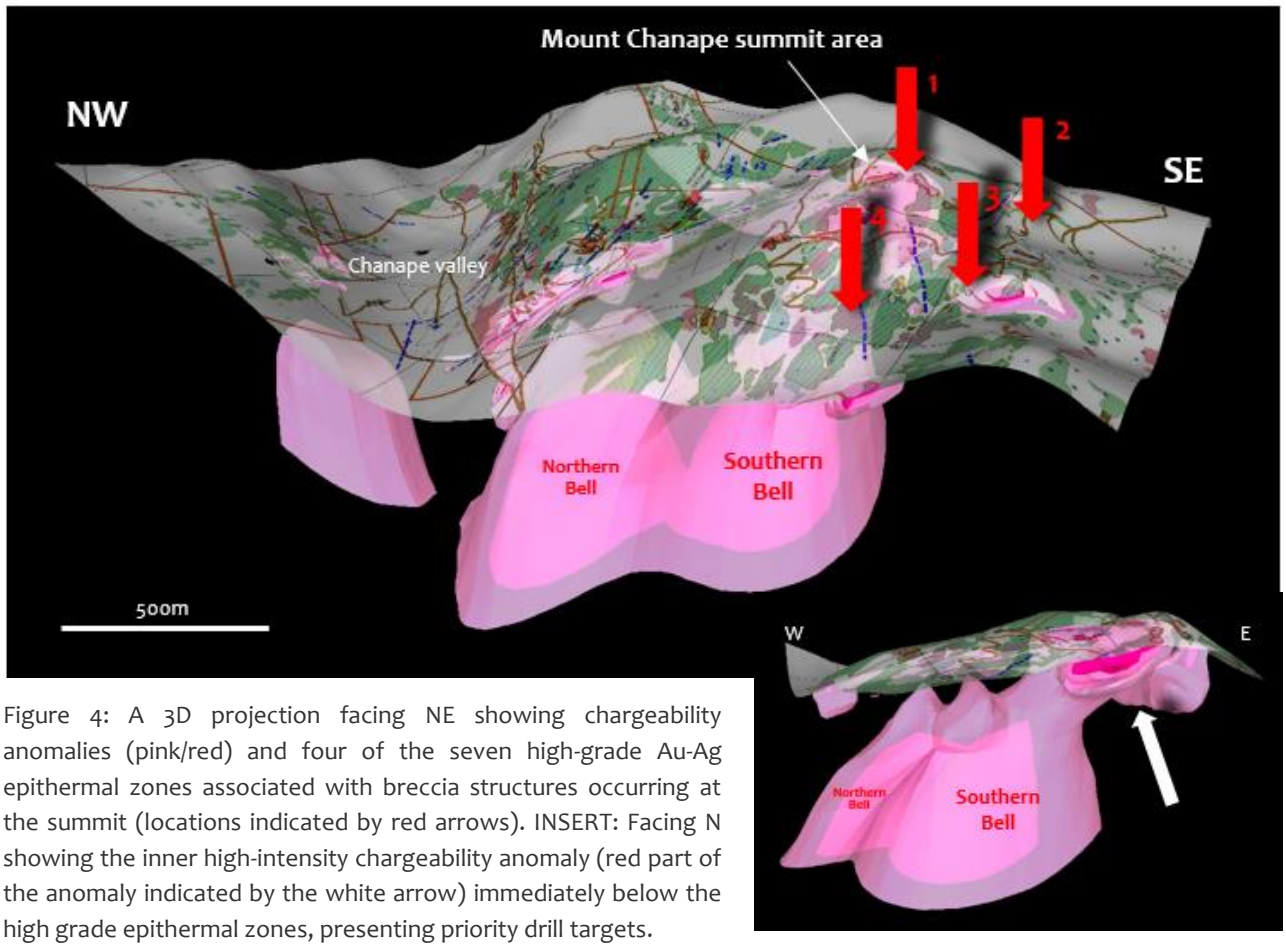

Figure 4: A 3D projection facing NE showing chargeability anomalies (pink/red) and four of the seven high-grade Au-Ag epithermal zones associated with breccia structures occurring at the summit (locations indicated by red arrows). INSERT: Facing N showing the inner high-intensity chargeability anomaly (red part of the anomaly indicated by the white arrow) immediately below the high grade epithermal zones, presenting priority drill targets.

Tungsten in drill hole CH-DDH012 (ASX announcement 15 September 2014)

The Company's re-sampling program of certain sections of CH-DDH012 revealed heightened tungsten (W) mineralisation over an interval of 30m from 41m down-hole depth. Selected contiguous intervals of core from pertinent sections of CH-DDH012 were re-sampled (84 samples) and re-assayed using lithium-borate fusion ICP-MS analysis to obtain a more precise measure of tungsten levels that were identified in initial testing (using four-acid ICP-MS). The tungsten-bearing mineral was identified as wolframite (Figure 5).

The new results indicate a zone of WO_3 mineralisation from 41m down-hole depth to 62m down-hole depth, with high-grade mineralisation of **1.22% WO_3 over 6m from 54m**. This 6m zone occurs within a **9m zone of 1.08% WO_3,** which in turn occurs within a broader **21m zone of 0.65% WO_3**.

Figure 5: Wolframite at 59.3m within the upper hydrothermal breccia in CH-DDH012. LEFT: Cut core surface showing large wolframite crystal (w) in qtz matrix (q) adjacent to altered breccia clast (c): RIGHT: Broken core surface showing same wolframite crystal.

Drill hole CH-DDH012 intersected two strongly mineralised tourmaline breccias at shallow depths. The upper breccia occurs between 18.6m and 65.5m and has a down-hole width of 46.9m. The second breccia occurs between 157.75m and 205.2m and has a down-hole width of 47.45m.

*Previously reported mineralisation associated with the upper breccia and its margins includes **67m at 0.97g/t Au and 25.31g/t Ag from surface**. Au and Ag mineralisation extends well above the upper contact of breccia into the hanging-wall volcanics. Cu also occurs in this upper breccia, **24m down hole interval at 0.52% Cu from 50m,** but appears more concentrated in the lower [down hole] half of the breccia, extending into the footwall volcanics.*

Tungsten can now be added to the rich metal assemblage contained in the upper tourmaline breccia. There is a close relationship between Au, Ag and W in the lower hanging wall section of breccia, which is juxtaposed (immediately above) a deeper zone of Cu-Zn mineralisation in footwall tourmaline-bearing volcanics. Interestingly, tungsten levels in the second, deeper tourmaline breccia (also described in the 27 May 2014 announcement), though elevated, are not at the levels reached in the upper breccia. Mineralisation associated with the second breccia includes ***55mm at 2.29% Cu, 0.60g/t Au, 42.90g/t Ag, and 48.09ppm Mo***.

The absence of high levels of W and the occurrence of Mo (peak value of 0.03% Mo) in the lower breccia; and the significantly stronger Cu mineralisation in the lower breccia (peak value of 13.45%), reinforces the view that the two breccias represent two episodes of mineralisation. That is: mineralisation of the upper breccia is an epithermal metal event and the mineralisation of the lower breccia is a porphyry-related metal event.

New drill permit application processes

As reported in the previous quarter, the Company submitted a sdEIA drill permit to replace an expired DIA drill permit, under which all previous drilling was carried out. Inca's application for an sdEIA permit is currently being assessed by the relevant authorities. Once the permit is granted the Company will have the ability to complete up to 22,500m of drilling on up to 61 drill platforms, and, for the first time, have drill access to 100% of the project area (hitherto restricted to less than 10% of the project area). This unfettered drill access in turn provides access to all existing and future generated targets.

Major Mining Houses visit Chanape this Quarter

During the quarter a number of Confidentially Agreements (CA) were signed and field trips were conducted to Chanape. One new entrant, has returned to Chanape for a third time. Due to the confidentiality of the process the Company is unable to provide further information at this time.

CORPORATE ACTIVITIES

Capital Raising & Treasury Management

The Company raised $3,200,000 this quarter through the issue of 139,130,432 fully paid ordinary shares at $0.023 per share (ASX announcement 6 August 2014). While this capital raising was heavily oversubscribed the Company continues to operate cognisant of the challenging market conditions facing junior resource companies. The very positive exploration results generated this quarter from Chanape have been achieved efficiently and the Company continues to maintain administration costs significantly below that of its exploration costs.

KEY OUTCOMES OF THE QUARTER

Significance of Results of this Quarter

Results during the September 2014 quarter have tripled the prospective footprint of the Chanape project and have, for the first time, led to the generation of a discrete volumetrically extensive sub-surface sulphide target. Seen in the context of the 22,500m capacity of the upcoming drill permit, the results mark an important stage in the progression of Chanape. Key aspects of this include:

- Surface geological mapping/sampling continues to identify significant new zones of mineralisation. Such mineralisation now includes Cu-rich breccia-hosted occurrences.
- Talus sampling results indicate the occurrence of mineralisation across wide parts of the project, confirming that previously indicated in the summit and southern areas and also the Violeta breccia area in the north of the project.
- Channel sampling results indicate the occurrence of high-grade Au-Ag-Pb mineralisation in multiple breccias in the summit and southern areas, confirming talus results and adding a significant number of drill targets.
- The results of the IP data review have identified a discrete chargeability anomaly (ill-defined and poorly constrained in previous modelling) believed to represent a 1.5km x 0.75km x 0.5km sulphide zone associated with the Chanape porphyry system.

The Chanape project area. The Chanape camp is in the valley below the main focus area. The depicted area represents only a small part of the project prospective for epithermal and porphyry mineralisation – giving some perspective on the enormity of the project.

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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: List of ASX Announcements from 1 July 2014 to 22 October 2014

ASX Announcement	Price Sensitive	Date Announced	Competent Person
Investor Presentation Update – Chinese and English Versions	N	2 July 2014	Ross Brown
Dingo Range Nickel Project Update	N	4 July 2014	Ross Brown
Argonaut Securities Research – Junior in Giant Country	N	7 July 2014	N/A
5.5% Copper in Newly Discovered Breccia	Y	17 July 2014	Ross Brown
Inca June 2014 Quarterly Activities Report	Y	22 July 2014	N/A
Trading Halt	Y	24 July 2014	N/A
Inca Capital Raising Closes Heavily Oversubscribed	Y	28 July 2014	N/A
Inca ASX Appendix 5B	Y	1 August 2014	N/A
Notice Under Listing Rule 3.10.5 and Section 708A(5)	N	7 August 2014	N/A
Appendix 3B	N	7 August 2014	N/A
Moquegua Vendor Becomes Inca Shareholder – Sec 708A Notice	N	27 August 2014	N/A
Appendix 3B	N	27 August 2014	N/A
Tungsten in CH-DDH012	Y	15 September 2014	Ross Brown
Annual Financial Report for YE 30 June 2014	N	26 September 2014	N/A
Strong Copper, Gold and Silver Anomalies in Talus Sampling	Y	7 October 2014	Ross Brown
Notice of Annual General Meeting	N	21 October 2014	N/A
12.6g/t Gold, 746g/t Silver, 14.96% Lead at Chanape Summit	Y	22 October 2014	Ross Brown

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