INCA MINERALS LTD
ACN: 128 512 907

ASX ANNOUNCEMENT
ASX Code: ICG

23 December 2014

Drill Permit Advances and Rich Gold, Silver, Copper in Phase Two Channel Sampling

DRILL PERMIT ADVANCES

- sdEIA drill permit advances with receipt of observations from the Peruvian *Ministero de Energia y Minas* (Ministry of Energy and Mines)

CHANNEL SAMPLING & FURTHER EXPLORATION RESULTS

- Very high grade gold (Au), silver (Ag) and copper (Cu) results in phase 2 channel-sample program
- Peak sample values include:
    - M190642: 12.90g/t Au, 34g/t Ag
    - M190650: 5.94g/t Au, 320 g/t Ag, 1.77% Cu
    - M190638: 1.80g/t Au, 116g/t Ag
- Largest breccia to date recognised at Chanape ± 900m x 300m in size
- Mapping in northern Phase IV ("P IV") area reveals intrusive stock adjacent to Au-bearing Violeta breccia cluster

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Semi-Detailed Environmental Impact Assessment Drill Permit

Inca Minerals Limited ("Inca" or the "Company") has received official response from the Ministry of Energy and Mines ("MEM"), with respect to the Company's semi-detailed Environmental Impact Assessment ("sdEIA") drill permit application. The MEM response, commonly referred to as "observations" has been keenly awaited by the Company. In summary, MEM's observations are varied in nature and essentially revolve around Inca providing further information with respect to certain maps, clarification of information that Inca has previously provided, and additional information concerning soil and air quality sampling and monitoring procedures and the closure and post-closure rehabilitation of drilling and camp affected areas. Importantly, MEM's observations:

- Do not identify a material deficiency in the permit application and, equally as important
- Contain no apparent third-party concerns or objections.

Under the usual sdEIA process, MEM has requested that Inca respond to the observations by mid-January 2015. Inca is preparing its response and anticipates no difficulty in meeting this time frame. The Company will continue to advise shareholders on its sdEIA application as it progresses through the MEM process.

Recent and Ongoing Activity

Recently concluded and ongoing exploration programs at Chanape include a rockchip channel sampling program; a geological mapping program (to follow-up on recent reinterpretations and results from talus sampling); a geophysics review and; a surface sample hyperspectral Hylogger clay mapping program.

Channel Sampling: The Company has recently completed a second phase of channel sampling at Chanape involving 135 two metre samples. Further zones of strong epithermal mineralisation have been identified in the Summit and Southern areas of Chanape (Figure 1). Peak values include **M190642: 12.90g/t Au, 34g/t Ag; M190650: 5.94g/t Au, 320 g/t Ag, 1.77% Cu;** and **M190638: 1.80g/t Au, 116g/t Ag.** The host material in these three cases are highly altered (and Fe-oxidised) quartz-rich (breccia) structures in close proximity to a monzonite intrusive and volcanics (Figure 1).

- The results of M190642 are particularly strong considering channel samples were taken from continuous 2m long sections, perpendicular to the visible mineralisation trend and are "un-selective".
- The high copper result of M190650 is equally pleasing and reflects visible chalcopyrite in outcrop. Once again, the sample was collected perpendicular to the visible mineralisation trend.
- The occurrence of copper (M190650) in outcrop at high levels within the porphyry system is also a very positive development. This has implications as to proximity (below surface) of "hotter" porphyry style mineralising fluids, such as those prevalent in the area close to HBx8.

(Note: Results of the first phase channel-sampling were released on 22 October 2014 with peak values of 12.65g/t Au, 746g/t Ag and 14.95% Pb in sample M183375).

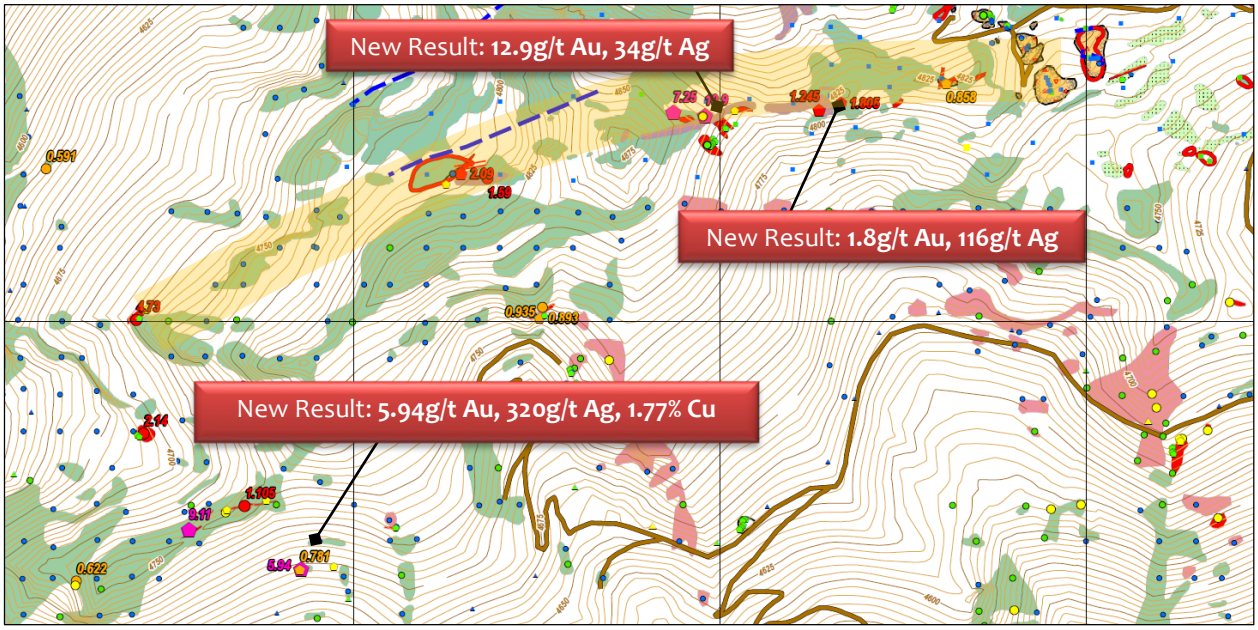

Figure 1: Geology plan of the Summit and Southern areas of Chanape showing highlighted channel sample results. Strong mineralisation is associated with highly altered (and Fe-oxidised) breccia structures in proximity to a monzonite intrusive stock. A corridor of Au, Ag and Cu mineralisation is highlighted (orange band) which parallels faults (blue dashed lines) and links with large breccia pipes. Scale: grid is 500m x 500m.

Mapping: Through the assistance and from the input of visiting geologists, a large phreatomagmatic breccia has been recognised at Chanape. Covering an elongated area of 900m x 300m, this breccia body is the largest on the property, extending from Hydrothermal Breccia Pipe 8 in the northwest, to the summit in the southeast (Figure 2). The proximity of Au-Ag±Cu±W-bearing epithermal mineralisation to this large phreatomagmatic breccia (with coincident widespread argillic/phyllic alteration and chargeability anomalism) suggests that this new breccia may have caused or, at least, is related to such mineralisation.

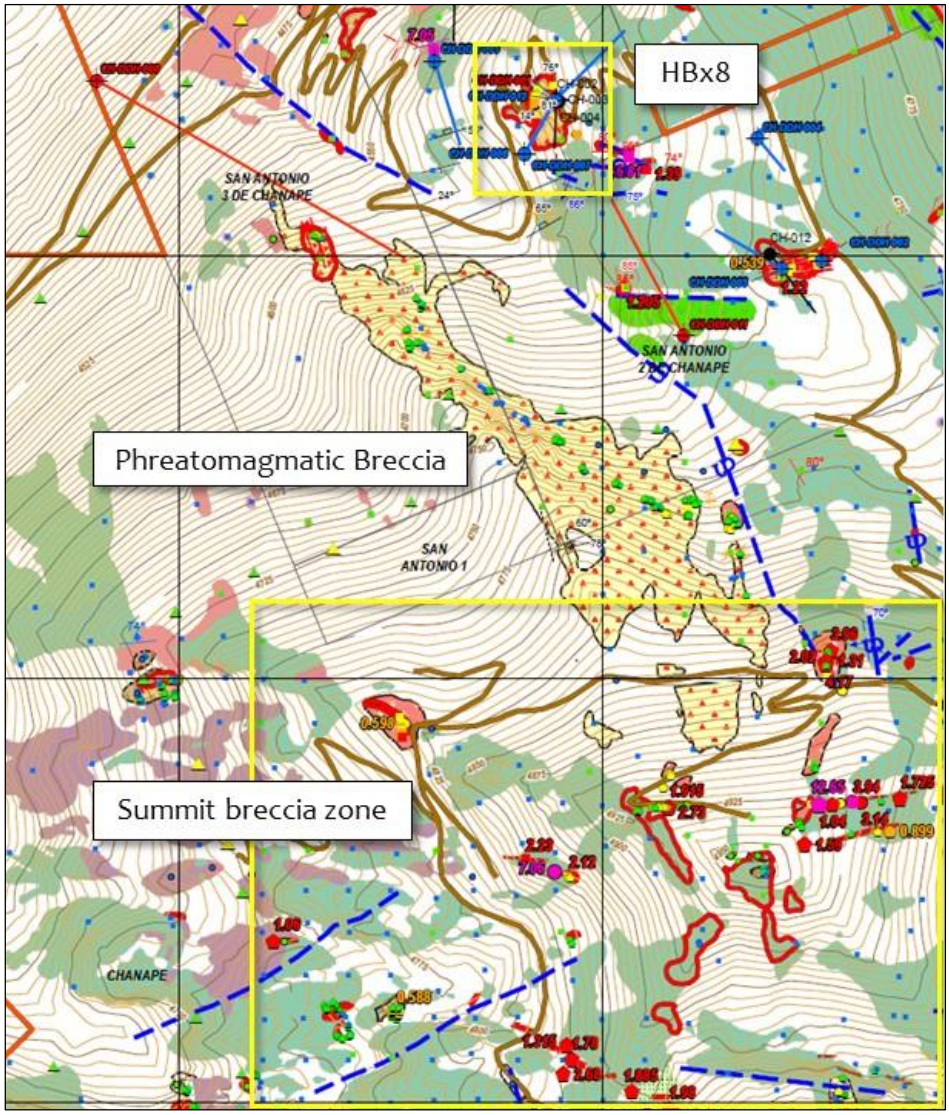

Figure 2: Geology plan of central Chanape showing the location of the new phreatomagmatic breccia (shaded yellow with red triangles). To the north of the breccia numerous other breccias are commonly mineralised in Au, Ag ± Cu [including HBx8]. To the south of the breccia numerous other breccias are commonly mineralised in Au, Ag ± Pb. Scale: Grid lines are 500m apart.

Mapping in the northern P IV area has identified monzodiorite, an intrusive rock that is in close spatial juxtaposition with several Au-bearing breccia pipes (referred to as a Violeta breccias). Past mining activity as evidenced by several adits and drives, appears to have focussed on the underground extensions of these pipes. A large chargeability anomaly (ASX announcement 22 October 2014) coincides with the new intrusive monzodiorite.

Geophysics: The Company has continued its review of geophysical data, now including ground magnetics. Results indicate a pattern of magnetics typical of porphyry/epithermal systems. An outer magnetic high forming a distinct, albeit imperfect, outer halo is evident at Chanape. This is believed to reflect magnetite associated with peripheral propylitic alteration. Centrally located, and coinciding with chargeability highs, a second form of magnetic anomalism occurs (Figure 3). This appears to be associated with conductive metal sulphides.

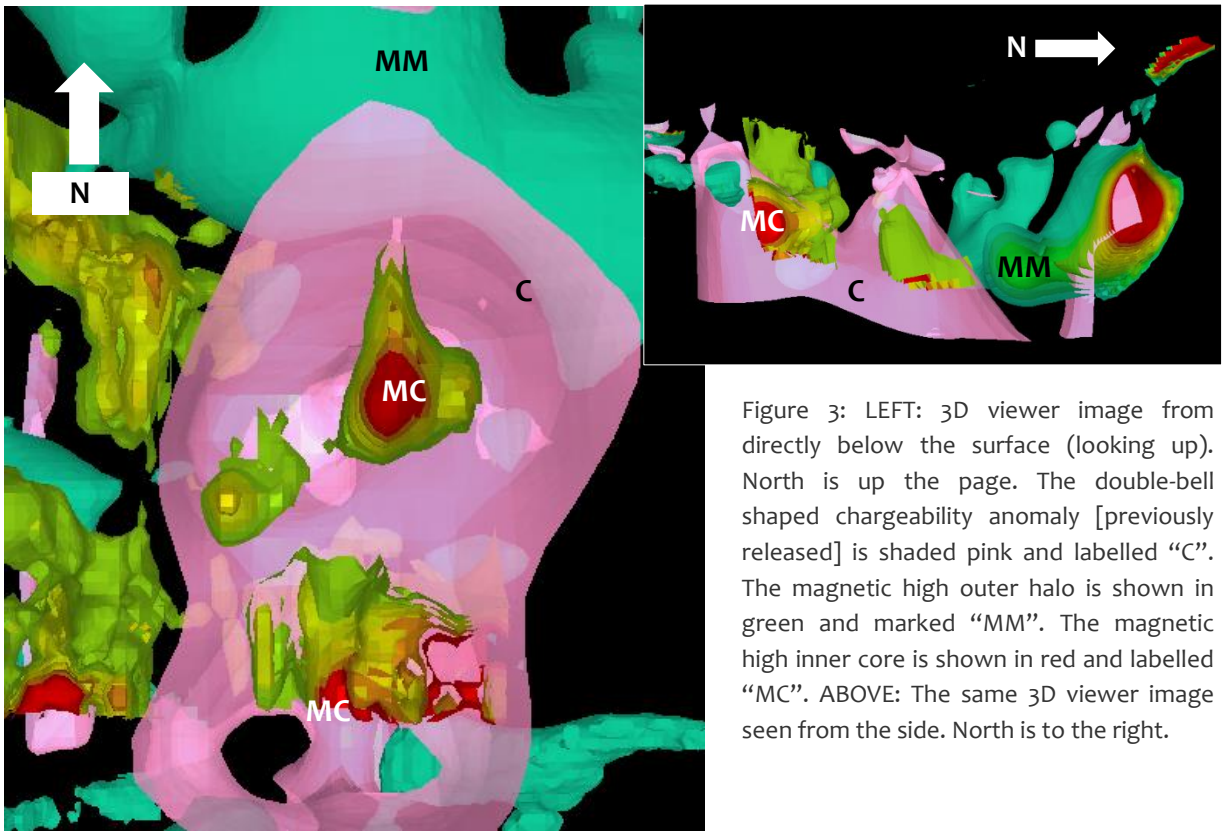

Figure 3: LEFT: 3D viewer image from directly below the surface (looking up). North is up the page. The double-bell shaped chargeability anomaly [previously released] is shaded pink and labelled "C". The magnetic high outer halo is shown in green and marked "MM". The magnetic high inner core is shown in red and labelled "MC". ABOVE: The same 3D viewer image seen from the side. North is to the right.

Hyperspectral Hylogger Clay Mapping: The Company has commenced a Hylogger [hydrothermal] clay mapping program that involves sample collection from previous grid rockchip sample sites. 700 samples have been submitted for analysis. Together with previous multi-element assay information this work will provide a project-wide interpretation of hydrothermal alteration, effectively mapping out the clay mineral association with mineralisation.

Chanape Attracts Further Interest

The Company has received additional unsolicited approaches regarding interest in Chanape. At the same time, a major mining house has returned to Chanape for further multiple due diligence programs. For commercial reasons the companies cannot be named. The recent approaches now include strong performing junior to mid-tier explorers with significant cash-backing and operational capacity. The Company continues to evaluate each and all potential partnerships in terms of project value-add and shareholder benefit.

Importance of Recent Exploration Results

During the pre-sdEIA permit period, the Company has continued to add to and refine its drill targets. Information from recently completed channel sampling, mapping and geophysical modelling (described above), has continued to enhance the Company's understanding of the large porphyry system at Chanape. All parts of Chanape project have now been traversed by Inca geologists. Notwithstanding further discoveries and refinements in deposit modelling, a broad knowledge-bank of the Chanape porphyry has rapidly developed ahead of the granting of the Company's largest ever 22,500m drill permit. This heightened understanding of the Chanape porphyry system impacts very positively on drill target generation and prioritisation.

Key observations:

- Chanape contains a rich metal-mix with widespread Cu, Au, Ag, Mo, W and Pb mineralisation.
- Mineralisation occurs over a 1.3km vertical distance and metal variance is characteristic of large, multi-phase porphyry systems.
- There is a close spatial and presumed genetic relationship between the metal bearing breccias and the metal bearing intrusive stocks.
- There are over 70 breccias and 8 intrusive stocks at Chanape.
- Geology, alteration, mineralisation and geophysics are all characteristic of large porphyry systems.

Key existing and new targets now include:

- *Breccia Pipe Eight Area*: Known epithermal and porphyry mineralisation, extensive alteration, chargeability and SP anomalies, past mining activity – partially drill tested (DIA permit).
- *The Summit Area*: Extensive epithermal mineralisation, mineralised breccia pipes, alteration, chargeability, magnetics and SP anomalies – covered in future sdEIA permit.
- *The Southern Area*: Extensive epithermal mineralisation, intrusive stocks, chargeability and SP anomalies – covered in future sdEIA permit.
- *The Northern Area*: Intrusive stocks, mineralised breccia pipes, chargeability, magnetics and SP anomaly, past mining activity – covered in future sdEIA permit.

For further information contact Ross Brown (Managing Director) or Justin Walawski (Director/Company Secretary).

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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 "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 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 "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: Assay results of the Channel Sample Program (Au, Ag, Cu only)

Sample Number	Location PSAD56 (ms)		Au (g/t)	Ag (g/t)	Cu (ppm)	Sample Number	Location PSAD56 (ms)		Au (g/t)	Ag (g/t)	Cu (ppm)
	Easting	Northing					Easting	Northing			
M190520	362665	8681439	0.05	0.5	11	M190565	362379	8681783	0.013	0.5	32
M190521	362661	8681439	0.05	0.7	8	M190566	362377	8681784	0.013	0.7	31
M190522	362660	8681439	0.05	0.5	7	M190567	362350	8681810	0.023	0.5	22
M190523	362656	8681439	0.05	0.5	6	M190568	362348	8681811	0.036	0.5	22
M190524	362651	8681438	0.05	0.5	6	M190569	Blank				
M190525	362650	8681438	0.05	0.5	7	M190570	362346	8681812	0.034	0.5	22
M190526	362647	8681438	0.05	0.5	6	M190571	362342	8681811	0.014	0.5	28
M190527	362610	8681430	0.05	0.5	20	M190572	362341	8681813	0.018	0.5	30
M190528	362609	8681430	0.05	0.5	109	M190573	362308	8681837	0.015	0.5	9
M190530	362606	8681428	0.05	0.5	4	M190574	362308	8681836	0.009	1.2	14
M190531	362606	8681427	0.05	0.5	4	M190575	362307	8681835	0.011	0.5	15
M190532	362511	8681557	0.012	0.5	16	M190576	362306	8681836	0.014	0.5	10
M190533	362510	8681558	0.011	0.5	33	M190577	362305	8681837	0.013	0.5	13
M190534	362507	8681562	0.01	0.5	23	M190578	362303	8681836	0.017	0.5	25
M190535	362507	8681561	0.009	0.5	23	M190579	Duplicate		0.013	0.5	23
M190536	362504	8681572	0.009	0.6	18	M190580	362264	8681885	0.011	1	9
M190537	362506	8681575	0.011	0.7	20	M190581	362263	8681885	0.01	1.2	5
M190538	362503	8681575	0.011	0.9	28	M190582	362262	8681885	0.016	1	5
M190539	Blank					M190583	362262	8681882	0.02	1.5	6
M190540	362504	8681578	0.013	0.9	26	M190584	362250	8681895	0.005	0.6	13
M190541	362502	8681580	0.014	0.9	23	M190585	362249	8681897	0.005	0.8	12
M190542	362496	8681610	0.013	2	29	M190586	362246	8681895	0.033	6.3	20
M190543	362494	8681611	0.015	1.4	38	M190587	362242	8681894	0.108	4.9	22
M190544	362492	8681613	0.015	0.7	28	M190588	362239	8681893	0.259	3.3	28
M190545	362491	8681615	0.015	0.7	20	M190590	362229	8681929	0.013	0.7	32
M190546	362509	8681671	0.006	0.5	29	M190591	362227	8681928	0.014	0.5	18
M190547	362507	8681672	0.007	0.5	34	M190592	362226	8681928	0.014	0.5	24
M190548	362505	8681672	0.007	0.5	30	M190593	362225	8681927	0.012	0.5	28
M190549	Duplicate		0.009	0.5	28	M190594	362223	8681923	0.013	3.2	12
M190550	362503	8681670	0.008	0.5	25	M190595	362221	8681924	0.012	0.6	8
M190551	362501	8681672	0.009	0.5	21	M190596	362035	8680231	0.016	1.1	10
M190552	362498	8681678	0.008	0.5	30	M190597	362033	8680230	0.015	1.7	13
M190553	362497	8681674	0.01	0.5	23	M190598	362031	8680229	0.018	1.3	11
M190554	362435	8681718	0.012	0.7	30	M190599	Blank				
M190555	362434	8681718	0.011	0.5	23	M190600	362031	8680228	0.015	1.1	11
M190556	362433	8681721	0.015	0.6	27	M190601	362032	8680222	0.015	1.1	8
M190557	362432	8681720	0.019	3.2	50	M190602	362030	8680220	0.018	1.3	10
M190558	362431	8681719	0.017	2.7	28	M190603	362028	8680219	0.016	1.5	11
M190560	362424	8681717	0.015	0.5	31	M190604	362027	8680217	0.014	2	24
M190561	362423	8681719	0.011	0.5	28	M190605	361809	8680412	0.016	0.8	8
M190562	362421	8681719	0.012	0.5	26	M190606	361808	8680413	0.006	0.6	13
M190563	362382	8681780	0.016	0.6	26	M190607	361805	8680415	0.005	0.5	15
M190564	362381	8681782	0.013	0.7	30	M190608	361804	8680417	0.028	1.1	13

Table 1: Assay results of the Channel Sample Program (Au, Ag, Cu only) cont...

Sample Number	Location PSAD56 (ms)		Au (g/t)	Ag (g/t)	Cu (ppm)
	Easting	Northing			
M190609	Duplicate		0.023	1	15
M190610	361795	8680435	0.042	3.5	13
M190611	361796	8680434	0.019	1.9	9
M190612	361798	8680432	0.007	2.7	15
M190613	361797	8680429	0.014	0.9	5
M190614	361791	8680414	0.01	0.6	8
M190615	361790	8680416	0.01	1.2	13
M190616	361785	8680410	0.017	3.3	40
M190617	361786	8680410	0.008	1.7	30
M190618	361787	8680408	0.011	0.7	14
M190620	361788	8680406	0.008	0.9	17
M190621	361790	8680403	0.022	3.3	29
M190622	361799	8680409	0.123	5.1	14
M190623	361802	8680409	0.066	3.8	10
M190624	361803	8680408	0.029	5	10
M190625	362255	8681499	0.054	3.4	284
M190626	362258	86801496	0.058	2	134
M190627	362259	8681495	0.077	9.5	133
M190628	362260	8681495	0.036	4.3	107
M190629	Blank				
M190630	362262	8681495	0.027	4.3	104
M190631	362292	8681503	0.024	2.2	85
M190632	362294	8681503	0.026	2.1	77
M190633	362295	8681503	0.039	2.4	60
M190634	362297	8681501	0.072	2.3	21
M190635	362304	8680830	0.005	0.5	6
M190636	362305	8680830	0.005	0.9	12
M190637	362309	8680825	0.858	7.9	77
M190638	362164	8680798	1.805	116	229
M190639	Duplicate		1.59	44.9	353
M190640	362135	8680788	1.245	9.2	46
M190641	362020	8680787	0.254	8.5	63
M190642	361979	8680781	12.9	34.5	470
M190643	361754	8680505	0.893	90.7	293
M190644	361761	8680508	0.022	1.1	25
M190645	361558	8680219	0.089	3.4	14
M190646	361427	8680166	0.015	5.6	21
M190647	361426	8680166	0.012	23	36
M190648	361426	8680165	0.027	11.5	125
M190650	361428	8680163	5.94	320	17,700
M184082	361427	8680162	0.781	44.8	677
M184083	361473	8680166	0.479	29.9	149
M184084	361568	8680056	0.045	5.2	72

Appendix

The following information is provided to comply with the JORC Code (2012) requirements for the reporting of channel sampling, mapping and geophysical results on the mining concessions known as Chanape, San Antonio 1, San Antonio 2 de Chanape, San Antonio 3 de Chanape, Violeta 2 and Violeta 3 (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 assay results of 135 channel samples. The announcement discusses these results in relation to re-modelled IP [chargeability] and magnetics data and subsequent 3D inversion imagery.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Channel sampling is a method of rock chip sampling that reduces the visual bias towards mineralisation. Each sample comprises rock chips from a continuous 2m section of rock outcrop. Sampling protocols and QAQC are as per industry best-practice procedures. Geophysics re-modelling was based on the recalibration of previous data with specific refinements and treatment of unreliable data.
	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.	Channel sampling was conducted at industry best standards. Individual samples (described above) were bagged separately. Samples were 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).
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,*	NA – no drill sampling was referred to in this announcement.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	mining studies and metallurgical studies.	
Logging cont…	*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.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	NA – no drill sub-sampling was referred to in this announcement.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Channel sampling followed industry best-practice procedures.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Channel sampling followed industry best-practice 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.	Channel sampling followed industry best practice procedures. Channel sampling is a technique specifically designed to remove "visual selection bias" from rock chip sampling whereby continuous rock chips over a prescribed distance (ie. 2m's in this case) are taken. The orientation of the "channel" in all cases was perpendicular to possible/known mineralisation.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered appropriate for the material being sampled and the mineralisation prevalent at each sample location.
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 channel samples are considered best-practice, 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.	An aspect of the geophysical remodelling program was to remove unreliable data from existing data sets to generate more representative interpretations/outcomes. Subsequent 3D inversions were limited to best-practice depths of interpretation.
	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 were introduced into the sample stream (without notification of ALS). This is an addition to ALS QAQC procedures, which follow industry best practices.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The sample assay results are independently generated by ALS who conduct QAQC procedures, which follow industry best-practice.
Verification of sampling and	*The use of twinned holes.*	NA – no drill sampling was referred to in this announcement.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
assaying cont…	*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 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.*	The channel sample locations were 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.*	The 135 channel sample locations subject of this announcement were based on industry best-practice methods and specifically located to test the perpendicular extent of visible mineralisation based on previous rock chip sampling. Where "targets" were large, multiple channel traverses were carried out.
	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.	No representations of extensions, extrapolations or otherwise continuity of grade are made in this announcement.
	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.*	Channel sampling followed industry best-practice procedures. Channel sampling is a technique specifically designed to remove "visual selection bias" from rock chip sampling whereby continuous rock chips over a prescribed distance (ie. 2m's in this case) are taken. The orientation of the "channel" in all cases was perpendicular to possible/known mineralisation.
	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.*	Sample security is managed by Inca in line with industry best- practice.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
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. Concession Names: Chanape, San Antonio 1, San Antonio 2 de Chanape, San Antonio 3 de Chanape, Violeta 2, Violeta 3. Ownership: The Company has a 5-year mining assignment agreement whereby the Company may earn 100% outright ownership of the concessions. This is registered as a public deed in Peru's national record of notarised agreements.
	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.*	The channel sampling subject of this announcement was carried out by Inca personnel. Assaying was completed by ALS –Lima, Peru. Geophysical data review and modelling was carried out by Southern Geoscience Consultants (SGC) – Perth, Australia.
Geology	*Deposit type, geological setting and style of mineralisation.*	The geological setting of the area subject to channel sampling as 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.
Drill hole information cont…	*If the exclusion of this information is justified on the basis that the information is not material and this*	NA – no drill sampling was referred to in

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	this announcement.
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.*	N/A – no weighted 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.	Not applicable – refer above.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable – 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').*	Channel sampling is a technique specifically designed to remove "visual selection bias" from rock chip sampling whereby continuous rock chips over a prescribed distance (ie. 2m's in this case) are taken. The orientation of the "channel" in all cases was perpendicular to possible/known mineralisation.
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.*	An adequate plan showing the position of the highlighted channel samples is made part of this announcement. With respect to the geophysics results, adequate 3D imagery is provided showing the extent of the chargeability anomaly.
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 on the channel-sample program and the geophysics results.
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 also makes reference to previous channel sample and geophysical imagery released on the 22 October 2014.
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 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 channel samples is provided in this announcement. The plan shows a corridor of mineralised bodies extending across the project area.