1 September 2015

New Cerro Ver Breccia Intersected in Latest Drilling

HIGHLIGHTS

- **Recently discovered Cerro Ver Breccia intersected in drill holes CH-DDH018 and CH-DDH019**
  - **Down-hole interval of 94.3m in CH-DDH018 from 24.5m**
  - **Down-hole interval of 226.8m in CH-DDH019 from 39.7m**
  - **Cerro Ver, the largest breccia drilled to date, extends to vertical depth of 250m (open-ended)**
- **Cerro Ver contains direct evidence of sulphide-bearing, veined porphyry system in vicinity**
- **Assay results due mid-September**

Inca Minerals Limited ("Inca" or "Company") has successfully completed two holes targeting a gold-bearing breccia located in the summit area of Mount Chanape (the breccia is referred to as Cerro Ver). Cerro Ver is a tourmaline-dominant, sulphide bearing breccia and based on cross-section projections is the largest breccia drilled to date. It extends from the surface (in outcrop) to a vertical depth of 250m (open ended). The indicated NS width of Cerro Ver is approximately 60m (Figure 2). It is a near-vertical breccia, believed to originate from or be associated with a porphyritic quartz-monzonite intrusive body. The Cerro Ver Breccia also coincidences with the margin of a large chargeability anomaly (Figure 2). It is believed that the chargeability anomaly is derived from a large phyllic sulphide-bearing body below the summit area of Chanape. The occurrence of porphyritic quartz monzonite fragments in the breccia directly supports this.

Results of CH-DDH018

CH-DDH018 intersected the Cerro Ver Breccia from 24.5m to 118.8m, **a down-hole interval of 94.3m**. Cerro Ver is a polymictic, tourmaline-rich, sulphide bearing breccia. It comprises volcanic and porphyritic quartz monzonite clasts (or fragments) with a tourmaline dominant matrix. Pyrite and arsenopyrite are the predominant sulphides occurring as veins and as replacements within the clasts and matrix. Total sulphides range from trace to 90% locally (Figure 1). Visible copper mineralisation includes chrysocolla (a blue-grey copper mineral) as vein coatings (Figure 1).

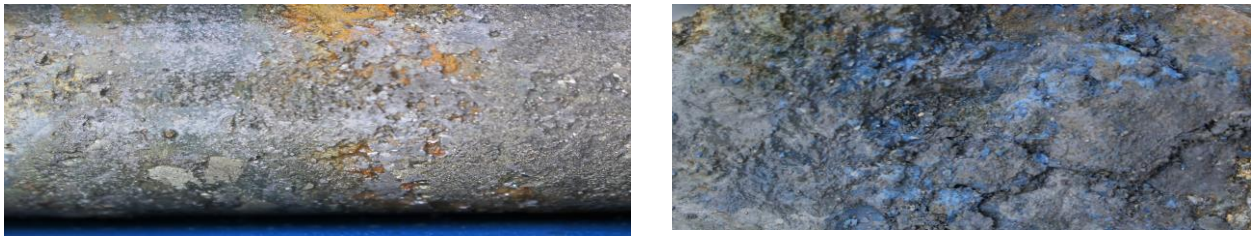


Figure 1: **LEFT:** Core photo at 97.3m in CH-DDH018 showing zone of 90% massive sulphides (pyrite and arsenopyrite recognised in logging). **RIGHT:** Core photo at 94.8m in CH-DDH018 showing chrysocolla (blue tint) Cu mineralisation. *Approximate core dimension in photos is 5cm width, 10cm -15cm length (including Figures. 3 & 5).*

Results of CH-DDH019

CH-DDH019 was drilled at a steeper angle to that of CH-DDH018 (75° compared to 50°) to test Cerro Ver at greater depths. The hole intersected the Cerro Ver Breccia from 39.7m to 266.5m, **a down-hole interval of 226.8m.** In broad terms Cerro Ver in CH-DDH019 is the same as that in CH-DDH018. In detail, Cerro Ver in CH-DDH019 contains more intrusive clasts than in CH-DDH018. It contains more veined and sulphide bearing clasts than in CH-DDH018 and has stronger phyllic alteration, particularly at deeper levels (Figure 3). This strongly suggests proximity to a porphyry system.

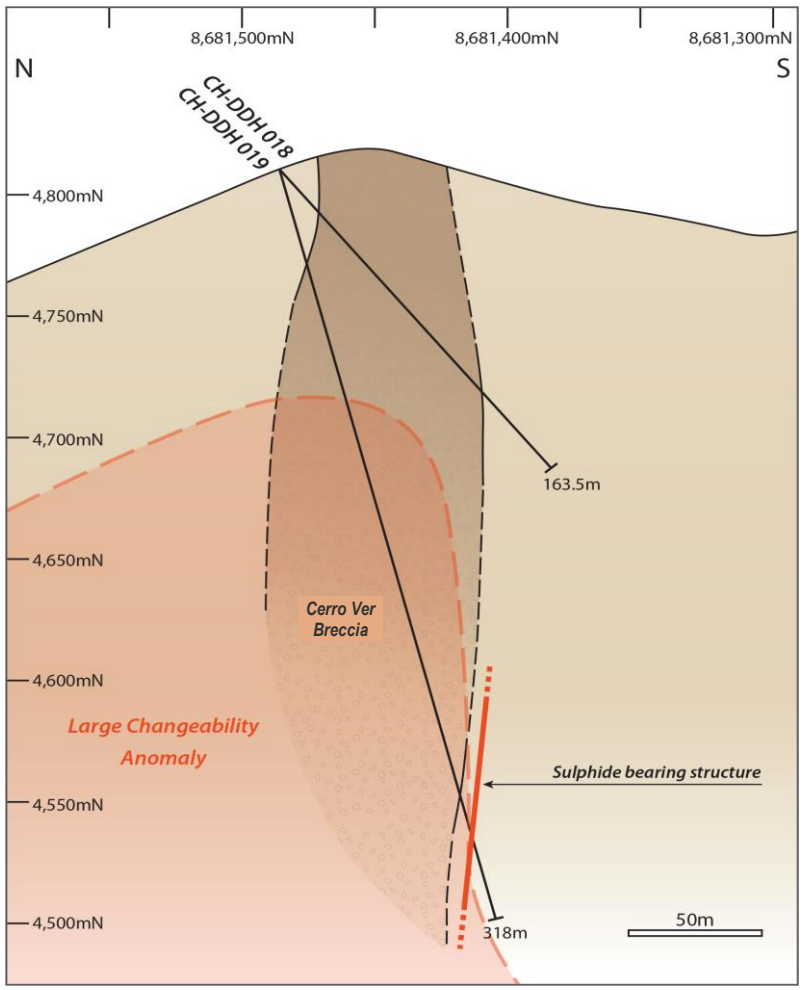
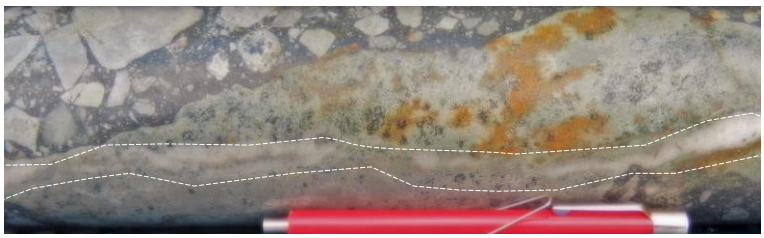


Figure 2: **RIGHT:** Cross section showing the Cerro Ver Breccia in CH-DDH018 & 19. The breccia coincides with the margin of the large chargeability anomaly.



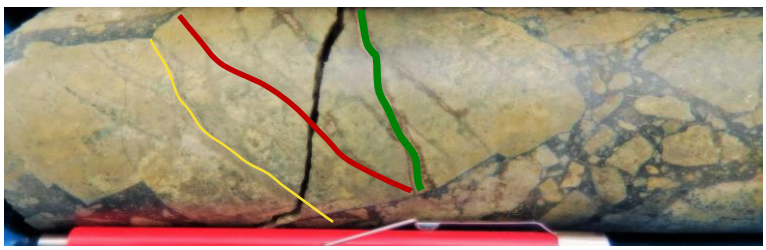


Figure 3: **TOP LEFT:** Core photo at 57.8m in CH-DDH019. The large intrusive clast is highly altered and contains a large quartz vein which does not extend into the matrix. **BOTTOM LEFT:** Core photo at 134.6m in CH-DDH019. The large intrusive clast is affected by multiple generations of veining (red, green, yellow = earliest to latest*). The first two generation veins comprising sulphides are the most frequent. In a similar fashion to the qtz vein at 57.8m, all veins terminate at the clast-matrix contact and are therefore associated with vein "events" occurring within the intrusive body below.

** Only representative veins are highlighted*

A 2m wide structure (fault and associated veining) was intersected in an adjacent position to Cerro Ver in CH-DDH019, at a depth of 289m (Figure 2). It occurs within a zone of intense phyllic alteration and contains arsenopyrite, pyrite and chalcopyrite, up to 100% of the core locally. It is felt that this structure (and structures like it), provided weaknesses along which the Cerro Ver Breccia rose from below.

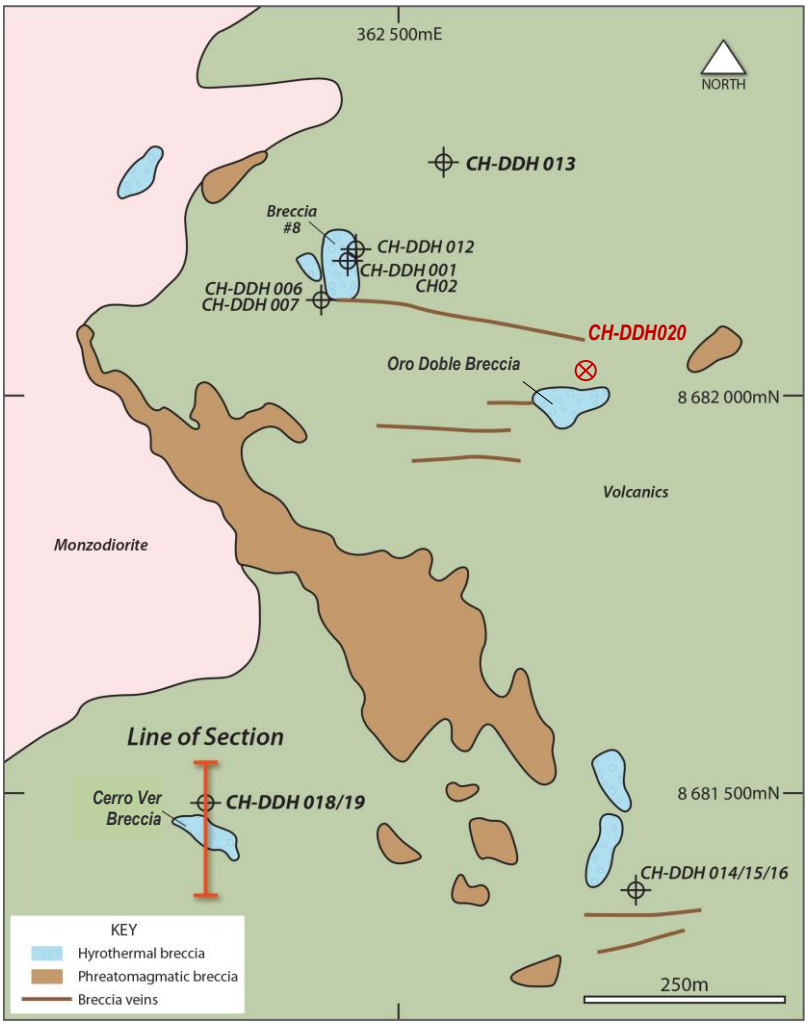


Figure 4: **LEFT:** Drill hole location plan with simplified geology and cross section orientation. The project area mostly comprises volcanics (green) and monzodiorite and similar intrusive rocks (pink). In broad terms two breccia types are depicted. Hydrothermal tourmaline breccias, for example, Cerro Ver and Breccia Pipe 8, are shown in blue. Phreatomagmatic breccias are shown in brown.

BELOW: Drill rig at CH-DDH019. In the foreground is the outcropping Cerro Ver Breccia (dark brown outcrop).

Significance of Results

The Cerro Ver Breccia is the largest breccia drilled to date at Chanape; larger than the copper-gold-silver bearing Breccia 8/Clint Breccia complex recently drilled in CH-DDH013. It is greater than 60 metres wide and is open ended at 250m depth (Figure 2). It is one of several large breccias within a Tatjana Breccia Cluster in the summit area of Mount Chanape.

Cerro Ver is a polymictic breccia with clasts comprising fragments of volcanics and intrusive rocks, including a porphyritic quartz monzonite. Volcanic rocks are widespread at Chanape and it is normal that breccias, such as Cerro Ver, Clint and Breccia Pipe 8, would contain a significant percentage of volcanic clasts. Porphyry quartz monzonite is not widespread at Chanape. It has only been recorded in deep drill holes CH-DDH001, CH-DDH008 and CH-DDH011 as a host of porphyry style mineralisation. **A high and increasing percentage of porphyritic quartz monzonite clasts within Cerro Ver is an exciting discovery and indicates the occurrence of a quartz monzonite porphyry system in the near vicinity**. The fact that many of the clasts have strong phyllic alteration and are veined (Figure 3 & 5) indicates that such porphyritic quartz monzonite is potentially mineralised.

The coincidence of a large chargeability anomaly and a pyrite-arsenopyrite-chalcopyrite-bearing structure (the latter identified in CH-DDH019) provides additional evidence of porphyry-related mineralisation in the vicinity. The chargeability anomaly is believed associated with broad phyllic/sulphide mineralisation – therefore not entirely the result of the breccia. The structure is believed to have acted as a zone of weakness along which the breccia and metal-bearing fluids have risen.

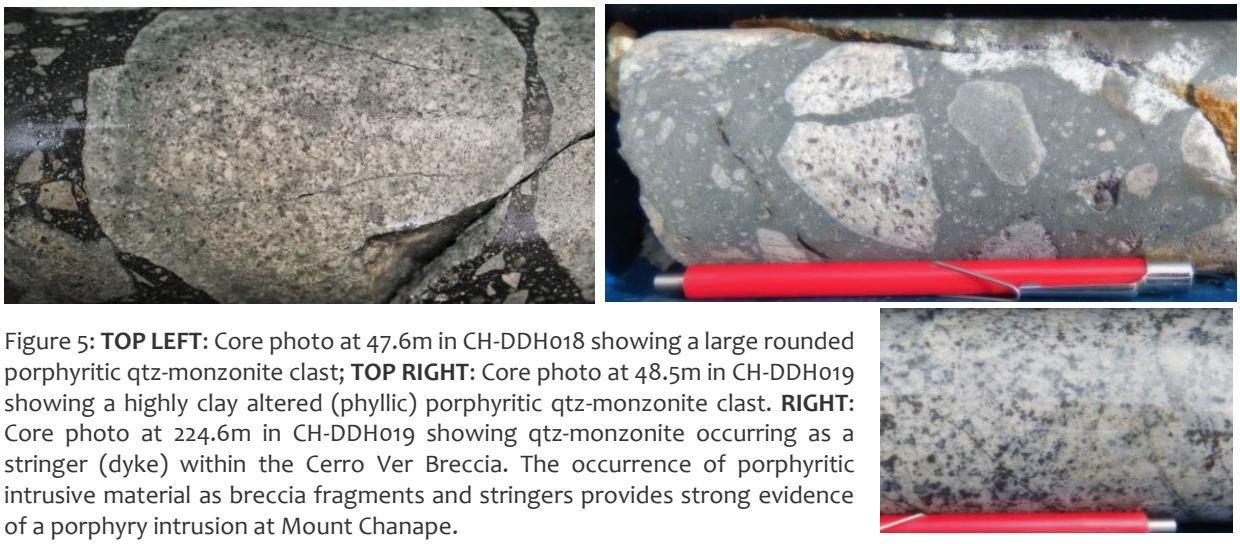


Figure 5: **TOP LEFT:** Core photo at 47.6m in CH-DDH018 showing a large rounded porphyritic qtz-monzonite clast; **TOP RIGHT:** Core photo at 48.5m in CH-DDH019 showing a highly clay altered (phyllic) porphyritic qtz-monzonite clast. **RIGHT:** Core photo at 224.6m in CH-DDH019 showing qtz-monzonite occurring as a stringer (dyke) within the Cerro Ver Breccia. The occurrence of porphyritic intrusive material as breccia fragments and stringers provides strong evidence of a porphyry intrusion at Mount Chanape.

Further Exploration

At the time of writing, the drill rig was positioned on CH-DDH20 which is intended to test the below-ground extent of the Oro Doble Breccia (formerly the Breccia Pipe 10/11 complex)(Figure 4). Oro Doble hosts significant mineralisation including a down-hole intersection from previous drilling of **100m @ 1.18g/t Au and 7.27g/t Ag** from 6m, including **46m @ 1.82g/t Au and 11.75g/t Ag from 15m** (ASX Announcement 30 November 2012). Additional drilling is needed at this locality to increase knowledge of the mineralisation with the view to build a potential resource. Oro Doble is approximately 300m from the Clint/Pipe 8 complex.

Core sampling is currently focussed on the completion of CH-DDH018 and 19. Assays for these holes are anticipated mid-September.

Future near-term drill targets include the Water Tank Breccia located near the Clint/Pipe 8 complex, and several other breccias located at the summit area of Mount Chanape.

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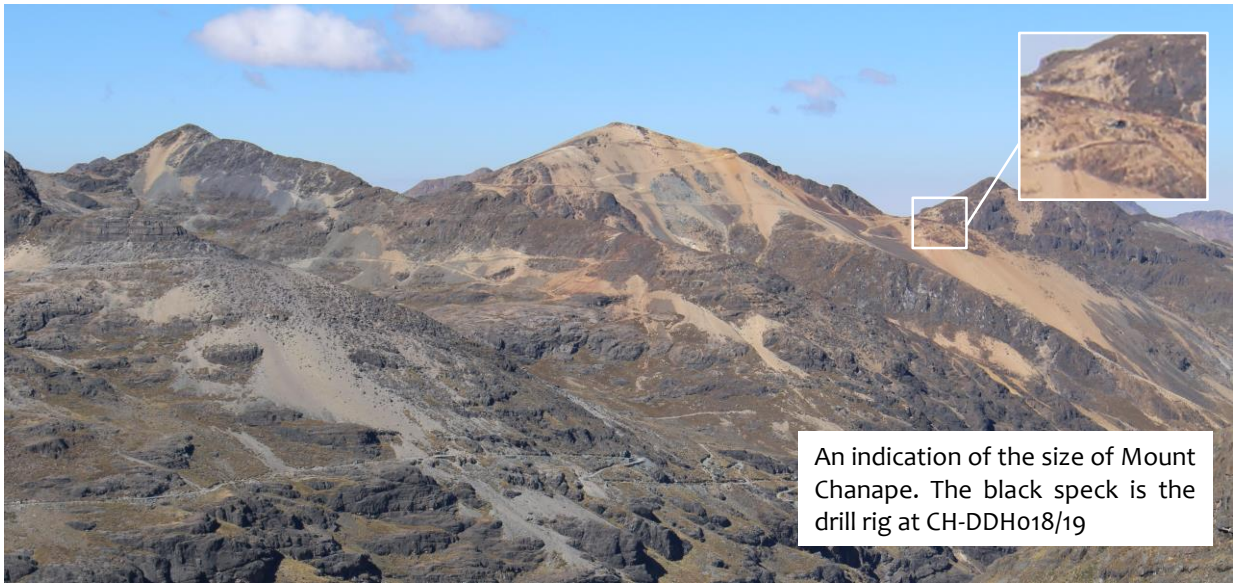
Competent Person Statements

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 Australasian Institute of Mining and Metallurgy. He has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brown is a full time employee of Inca Minerals Limited and consents to the report being issued in the form and context in which it appears.

Some of the information in this report may relate to previously released 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 Australasian Institute of Mining and Metallurgy. He has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brown is a full time employee of Inca Minerals Limited and consents to the report being issued in the form and context in which it appears.

Table 1: Drill Hole Parameters

Hole Number	Coordinates			Height above sea level	Azimuth	Dip	Total Depth
	Easting	Northing	Datum				
CH-DDH018	362258mE	8681486mN	PSAD56	4,810m	180°	50°	163.5m
CH-DDH019	362258mE	8681486mN	PSAD56	4,810m	180°	75°	318.0m



An indication of the size of Mount Chanape. The black speck is the drill rig at CH-DDH018/19

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*** (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 geological information concerning two holes; CH-DDH018 & 19. They have a combined total down hole meterage of 481.5 metres. No assay results concerning these hole were made part of this announcement.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Hole locations were determined by hand-held GPS. Drill core was/is logged noting lithology, alteration, mineralisation, and structure. Sampling protocols and QAQC are as per industry best-practice.
	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.	Each 1-2 metre interval of drill core (of the above holes) was/is currently being cut (longitudinally) and bagged separately. Samples are/will be sent to a reputable laboratory 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.).*	The drilling technique used in the generation of reported geology was diamond core. Core diameter is HQ (63.5mm dia). The angled holes were orientated as per industry best-practice.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Core barrel v's core length measurements were made. No significant core loss was experienced.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No significant core loss was experienced.
	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.	Not applicable - No assay results were made part of 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.*	On-site geologist(s) log lithology, alteration, mineralisation on a shift basis. Core recoveries are noted.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Core logging is both qualitative and quantitative. Core photos were taken.
	The total length and percentage of the relevant intersections logged.	100% of the core was logged.

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.*	Core was/will be sawn in half. One half was/will be bagged and labelled, the remaining half was/will be returned to the core tray.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Not applicable – all samples subject of this announcement were core.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Core sampling followed industry best practice.
	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.	The core sawing orientation is/was such that mineralisation is/was equally represented in both values of the core. Sample intervals are fixed to 1m to 2m intervals and not subject to visible signs of mineralisation.
	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 and distribution of mineralisation visible in the core.
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.*	No assay results were made part of this announcement.
	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.	No assay results (assisted by geophysical tools, spectrometers, etc…) were made part of this announcement.
	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 assay results were made part of this announcement.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	No assay results were made part of this announcement.
	The use of twinned holes.	The two drill holes subject of this announcement were twinned.
	Documentation of primary data, data entry procedures, date verification, data storage (physical and electronic) protocols.	No assay results were made part of this announcement.
	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.*	Drill hole 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

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Location of data points cont…		Maps (DTM's), the latter generated during antecedent detailed geophysical surveys.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The two holes subject of geological reporting in this announcement were logged on a continual basis (sub-10cm data capturing). Samples are being collected every 1m to 2m. Spacing (distance) between data sets with respect to geology and sampling is in line with industry best practice.
	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.*	As assay results are currently not available it cannot be established that potential mineralisation is associated with the breccia intervals, mentioned in this announcement. Without such information "perpendicularity" to breccia-hosted mineralisation cannot be ascertained at this time.
	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.	There is no information pertaining to the orientation of the host lithology that is currently available to suggest that the sampling was biased in terms of orientation.
Sample security	*The measures taken to ensure sample security.*	Pre-assay sample security is managed by the Company in line with industry best practice.
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: One concession: Chanape. Ownership: The concession is registered on INGEMMET (Peruvian Geological Survey) in the name of the Company's subsidiary. The Company's subsidiary has a 5-year mining assignment agreement whereby it may earn 100% outright ownership of the concession.
	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 concession is in good standing.
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	The drill holes subject of this announcement were carried out by Energold – a drilling company that adheres to industry best practice.
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.*	Coordinates of CH-DDH018/19 - refer to Table 1.
	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.	Not applicable – the information has been provided (refer above).
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.*	Not applicable – no weighting averages nor maximum/minimum truncations were applied.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Data aggregation methods cont…	*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 – no weighting averages nor maximum/minimum truncations were applied.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable – no equivalents were used.
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').*	Where ever mineralisation was reported in this announcement, clear reference to it being "down hole" width/thickness was made. "Mineralisation" is used in the context of visible sulphide mineralisation only. No comments have been made about metal content and grade.
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.*	A plan showing hole locations with coordinates was provided to locate the holes subject of this announcement.
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 drill holes CH-DDH018-19.
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.*	Other assay results have been referred to in this announcement. In addition, a comparison of the type and characteristics of rock types intersected in previous holes CH-DDH001, 08 & 11 were made however, such references are of pure geological interest with no direct inference to mineralisation.
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 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 and section showing the position of CH-DDH018 & 19 provides relative positioning of the breccia intersections. Notwithstanding the graphic representation of the holes, no comment and graphic representation has been made as to the shape (extension) of the breccia mineralisation.

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