12 October 2015

Second Porphyry Discovered at Chanape

HIGHLIGHTS

- **Second porphyry discovered in latest hole (CH-DDH027)**
  - New porphyry extends over down hole interval of 351m from 449m and is open-ended
  - Phyllic and potassic alteration identified with broad sulphide mineralisation
  - Further drilling planned

Core photo @ 571m Completely altered sulphide-bearing monzodiorite porphyry CH-DDH027

- **Option over new zinc-lead-silver (Zn-Pb-Ag) project Cerro Rayas signed**
  - Hosts mineralised veins up to 5m across, grades up to 41.59% Zn, 20.19% Pb and 349g/t Ag (Company's peak sample results)
  - Past small-scale mining
  - Acquisition through inexpensive purchase option agreement

---

CHANAPE: Second porphyry intersected in CH-DD027

Inca Minerals Limited ("Inca" or "Company") has received geological results of drill hole CH-DDH027, the first deep hole drilled into the summit area of Mount Chanape. **A contiguous sequence of quartz monzonite porphyry and monzodiorite porphyry has been intersected over a down hole interval of 351m from 449m.** This porphyry sequence is highly altered and contains pervasive sulphide mineralisation (examples of which are provided in various core photos). The porphyry sequence is open-ended at 800m.

The Company's previous shallow drill holes at the summit (CH-DDH018 and CH-DDH019) had provided evidence for a possible second porphyry at Mount Chanape. This evidence is in the form of pervasive epithermal Au-Ag-Pb-Zn mineralisation (ASX announcement 29 September 2015) and porphyry fragments in the Cerro Ver Breccia (ASX announcement 1 September 2015) (Figure 2). The Company recently commenced its first deep hole at Mount Chanape (CH-DDH027) and was drilled to a down hole depth of 800m.

Figure 1: Core photo at 581m (CH-DDH027) Veined and highly altered monzodiorite with multiple forms of sulphide.

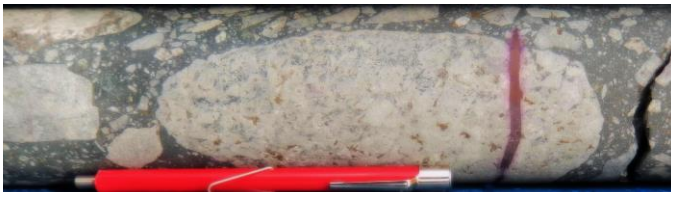

Figure 2: **LEFT** Core photo at 55.0m (CH-DDH019). The rounded rock fragment in the Cerro Ver Breccia (in the centre of the picture) is comprised of a highly altered quartz monzonite porphyry. We have now discovered *in situ* porphyry at the depth at approximately 449m in CH-DDH027.

The anticipated discovery of porphyry in CH-DDH027 occurred at a down hole depth of 449m. The porphyry occurs in a sequence containing lessor intervals of volcanics. It is highly altered (predominantly phyllic alteration with minor potassic alteration) and hosts broad zones of pervasive sulphide mineralisation, punctuated by restricted zones of high-sulphide mineralisation and tourmaline brecciation (Figures 1, 3 & 4). Pyrite and arsenopyrite are the dominant disseminated sulphides in the porphyry sequence between 449m and 663m. Pyrite and chalcopyrite then become the dominant disseminated sulphides from 663m to 800m. The porphyry discovered in CH-DDH027 is referred to as the Summit Porphyry.

Figure 3: **LEFT** Core photo at 587m (CH-DDH027). The monzodiorite is highly altered (phyllic) with tourmaline rosettes and sulphide replacements. The sulphides occur as patches, veins and as disseminations.

Figure 4: **ABOVE** Core photo at 534m (CH-DDH027). A silicified quartz monzonite porphyry with minor sulphide veins. The pale coloured quartz growths (eyes) are characteristic of this type of porphyry.

Significance of results at Chanape and next steps

The discovery of a second porphyry at Chanape cements the porphyry *bona fides* of this project and commensurately enhances the exploration potential and value of Chanape. Two porphyry centres are now confirmed, one located below the Clint/Pipe 8 Breccia – the ***Chanape Porphyry*** (intersected in drill holes CH-DDH001, CH-DDH008 and CH-DDH011), and a second located below the Cerro Ver Breccia – the ***Summit Porphyry*** (intersected in drill hole CH-DDH027) at Mount Chanape. The Chanape and Summit porphyry centres are approximately 600m apart (Figure 5).

In terms of the potential size of the Chanape porphyry system (including both porphyry centres), there is strong correlation between the position of the known porphyries and the position of twin bell-shaped chargeability anomaly (Figure 5 insert). The chargeability anomaly is 2.5km x 1km in size. The inference is that the porphyry system has a similar dimension.

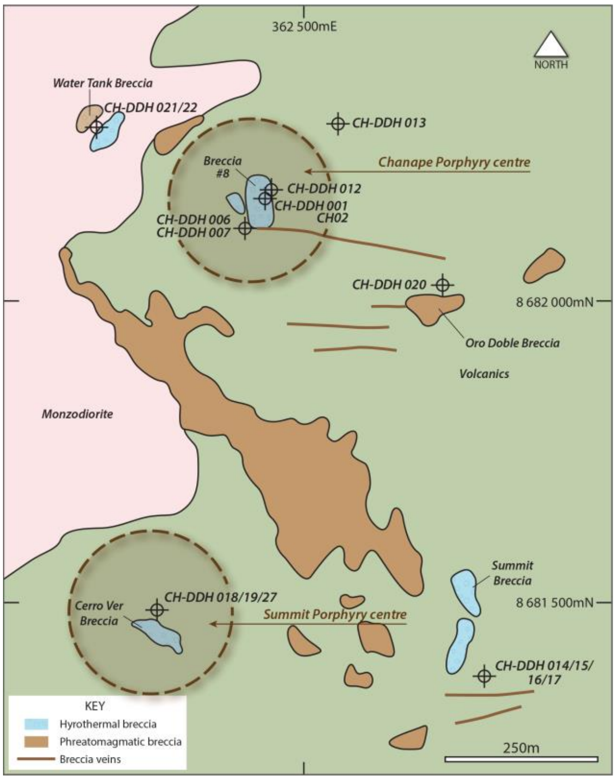

Figure 5: Plan showing the location of drilling (CH-DDH018, CH-DDH019 and CH-DDH027) and the Chanape and Summit Porphyry centres (schematically represented as a circular zone, projected to the surface). The position of the porphyry centres closely correlate to the two chargeabily centres (Inserted below).

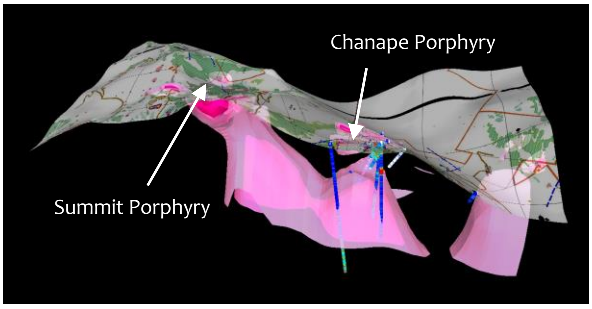

Figure 5 INSERT: Chargeability anomaly (pink)

Importantly, the new porphyry sequence in CH-DDH027 occurs at roughly the same height (relative level) as the Chanape valley floor. This has positive implications regarding possible future mining development.

The Company is greatly encouraged by the discovery of a porphyry at Mount Chanape and is currently designing follow-up holes in the vicinity to increase knowledge of this mineralised part of the project area. Assay results for CH-DDH027 are anticipated mid-November.

Large to super-sized porphyry deposits (>500 million tonnes) characteristically comprise multiple porphyry intrusions (or "stocks") which are emplaced over a long geological time. The multi-phase emplacement of porphyry stocks often creates multiple episodes and zones of mineralisation, either directly (as ore-material themselves) or indirectly through the creation of other ore-materials, such as breccia pipes, veins, mantos and skarns. The 2.15Mt Toromocho porphyry mine located 30kms NE of Chanape, to which Chanape has already been likened, possesses this multifaceted style of mineralisation.

CERRO RAYAS: A new zinc-lead project

In line with the Company's desire to supplement its project portfolio, Inca has an option to acquire a Zn-Pb-Ag project referred to as Cerro Rayas. It is located 130km SE of Chanape and 60km SW of the provincial capital of Huancayo, within the Miocene Skarn Belt of central and northern Peru. It hosts three groups of old mine workings called Wari, Torrepata and Vilapuqueo. Zn-Pb-Ag mineralisation at Cerro Rayas is associated with replacement-veins within brecciated carbonate host rocks.

As part of its due diligence Inca recently undertook a sampling programme to confirm the mineralisation at the Wari and Torrepata mine workings. The Wari Mine is the largest of the three workings at Cerro Rayas (Figure 6 & 7). Numerous drives provide access to a zone of mineralisation up to 5m in true width. Peak values from Inca's rock chip sample programme include: M184109: **41.59 % Zn and 0.42% Pb.** Mineralisation at Torrepata occurs as a near-massive sulphide vein up to 2m across: M184112: **32.07 % Zn and 20.19% Pb and 349g/t Ag.**

A total of nine rock chip samples were taken in and around the vicinity of Wari and Torrepata Mine workings (Table 2). As well as directly sampling the mineralised zone, hanging and footwall samples were taken as well as other surface locations to determine the characteristics of the mineralisation in relation to the country rock.

A small percentage of the project has been systematically sampled and it is felt that extensions to known zinc-lead-silver breccia veins may be discovered, as well additional vein systems, feeder zones (pipes), strata-bound (manto-type) mineralised bodies.

Based on these positive results and due diligence the Company has entered into a binding Memorandum of Understanding ("MOU") option to purchase the project. The Company's MOU allows a 5 month period of due diligence and a 2 year option period to purchase 100% of the two concessions for a total of US$500,000 (a majority of which is back-ended).

The project lends itself to low-cost and short-lead time development due mainly to the prevalence of known surface mineralisation, existing mine workings, walk up drill targets and existing social licence.

Figure 6: **ABOVE** The Wari Mine provides direct access to the Zn-Pb vein system, which is up to 5m across.

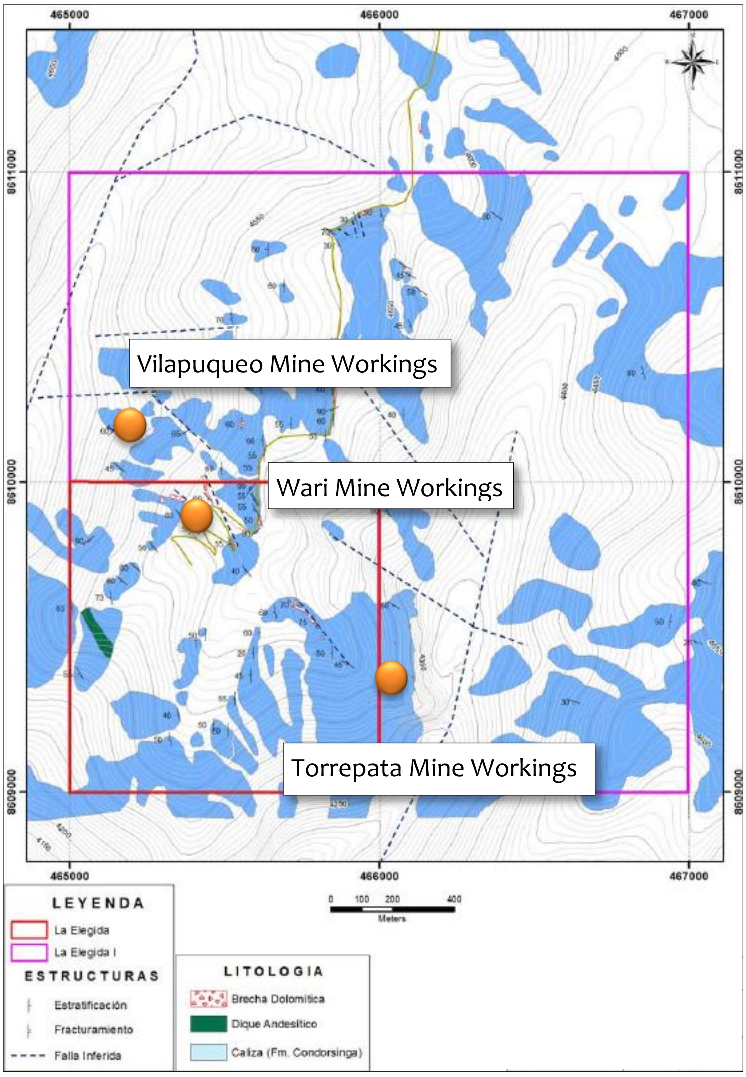

Figure 7: **RIGHT** Geology plan of Cerro Rayas. The outline of the project is shown in red and pink lines. The three old mine working are labelled. The local geology comprises folded and faulted carbonates

*****

For further information contact Ross Brown (Managing Director).

Office: +61 (0)8 6145 0300
Email address: info@incaminerals.com.au

Competent Person Statements

The information in this report that relates to epithermal and porphyry style mineralisation for the Chanape Project and base metal replacement style mineralisation for the Cerro Rayas Project, both 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 and base metal replacement style mineralisation for the Cerro Rayas Project, both 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 - Chanape

Hole Number	Coordinates			Height above sea level	Azimuth	Dip	Total Depth
	Easting	Northing	Datum				
CH-DDH018	362258mE	8681486mN	As above	4,810m	180°	50°	163.5m
CH-DDH019	As above	As above	As above	As above	180°	75°	318.0m
CH-DDH027	As above	As above	As above	As above	160°	75°	800.0m

Table 2: Assay Results of Rock Chip Samples - Cerro Rayas

Sample Number	PSAD56-E	PSAD56-N	ELEVATION	LITHOLOGY	ALTERATION	TYPE OF SAMPLING	Ag g/t)	Pb(%)	Zn (%)
M184104	465535	8609991	4712	Carbonatic Breccia	Dolomitization	Rockchip	1.4	0.01	0.02
M184105	465447	8609948	4670	Carbonatic Breccia	Dolomitization	Rockchip	5.5	0.14	0.15
M184106	465409	8609924	4652	Carbonatic Breccia	Dolomitization	Rockchip	1.1	0.01	0.00
M184107	465436	8609907	4645	Carbonatic Breccia	Dolomitization	Rockchip	5.6	14.21	0.11
M184108	465436	8609907	4645	Limestone	Dolomitization	Rockchip	1.8	0.05	0.03
M184109	465445	8609881	4630	Carbonatic Breccia	Dolomitization	Rockchip	2.7	0.42	41.59
M184110	465433	8609880	4635	Carbonatic Breccia	Dolomitization	Rockchip	2.4	3.96	0.03
M184111	465410	8609848	4620	Carbonatic Breccia	Dolomitization	Rockchip	3.6	5.76	0.25
M184112	466038	8609345	4443	Limestone	Dolomitization	Rockchip	349	20.19	32.07

Appendix

The following information is provided to comply with the JORC Code (2012) requirements for the reporting of results from two separate projects (both located in Peru), Chanape (**CH**) and Cerro Rayas (**CR**)

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.*	**CHANAPE (CH):** This announcement refers to new geological information concerning one hole (CH-DDH027) and makes references to geological information concerning two other holes; CH-DDH018, 19. CH-DDH027 has a down hole meterage of 800 metres. No assay results concerning this interval and the hole were made part of this announcement. **CERRO RAYAS (CR):** This announcement refers to peak sample values of 9 rock chip samples.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	**CH:** 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. **CR:** Sample locations were determined by hand-held GPS. Mapping included recording of 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.	**CH:** Each 1-2 metre interval of drill core (of the above holes) was/is currently being cut (longitudinally) and bagged separately. **CR**: Rock chip sampling involved the bagging of approximately 2kg of material from various target outcrops. **CH/CR:** 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).
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.).*	**CH:** The drilling technique used in the generation of reported geology was diamond core. Core diameters used in the holes are HQ (63.5mm), NTW (57.1mm) and BTW (42.0mm). The angled holes were orientated as per industry best-practice. **CR:** Not applicable, no drilling was reported.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	**CH:** Core barrel v's core length measurements were made. No significant core loss was experienced. **CR:** Not applicable, no drilling was reported in relation to this project.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	**CH:** No significant core loss was experienced. **CR:** Not applicable, no drilling was reported in relation to this project.
	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.	**CH:** Not applicable - No assay results were made part of this announcement. **CR:** Not applicable, no drilling was reported in relation to this project.
Drilling 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.*	**CH:** On-site geologist(s) log lithology, alteration, mineralisation on a shift basis. Core recoveries are noted. **CR:** Not applicable, no drilling was reported in relation to this project.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	**CH:** Core logging is both qualitative and quantitative. Core photos were taken. **CR:** Not applicable, no drilling was reported in relation to this project.
	The total length and percentage of the relevant intersections logged.	**CH:** 100% of the core was logged. **CR:** Not applicable, no drilling was reported in relation to this project.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	**CH:** 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. **CR:** Not applicable, no drilling was reported in relation to this project.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	**CH:** Not applicable – all samples subject of this announcement were core in relation to this project. **CR:** Not applicable, no drilling was reported in relation to this project.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	**CH:** Core sampling followed industry best practice. **CR:** Rock chip sampling across a representative section of mineralised and un-mineralised lithologies followed best practice first pass assessment sampling.
	Quality control procedures adopted for all sub-sampling stages to maximise "representivity" of samples.	**CH/CR:** No sub-sampling procedures were undertaken by the Company.
	Measures taken to ensure that the sampling is representative of the in situ material collected,	**CH:** The core sawing orientation is/was such that mineralisation is/was equally

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Sub-sampling techniques and sample preparation cont…	*including for instance results for field duplicate/second-half sampling.*	represented in both halves of the core. Sample intervals are fixed to 1m - 2m intervals and not subject to visible signs of mineralisation. **CR:** Rock chip sampling was carried out in conjunction with mapping, which included recording lithology, alteration, mineralisation, and structure. Whilst some samples preferentially selected known mineralisation (to obtain a "best grade assessment"), other rock chip samples included footwall and hanging-wall locations. A balanced sampling programme of potential grades in target mineralisation and country-rock was the principal focus of sampling which was achieved.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	**CH/CR:** 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.*	**CH:** No assay results were made part of this announcement in relation to this project. **CR:** The analytical assay technique used in the elemental testing of rock chip samples for Au was four-acid digest. The four acid digest technique involves hydrofluoric, nitric, perchloric and hydrochloric acids and is considered a "complete" digest for most material types. Non-Au techniques included ICP/OES.
	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.	**CH:** No assay results (assisted by geophysical tools, spectrometers, etc…) or otherwise, were made part of this announcement in relation to this project. **CR:** Assay results reported in this announcement were not generated or complimented by geophysical tools, spectrometers, etc…).
	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.	**CH:** No assay results were made part of this announcement in relation to this project. **CR:** Blanks, duplicates and standards were introduced into the sample stream (without notification of BVI). This is an addition to BVI QAQC procedures, which follow industry best practice.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	**CH:** No assay results were made part of this announcement in relation to this project.

Suite 1/16 Nicholson Road, Subiaco, Western Australia 6008 • PO BOX 38, West Perth, 6872
Telephone: +61 (08) 6145 0300 • ABN: 36 128 512 907
Website: www.incaminerals.com.au

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Verification of sampling and assaying cont…		**CR:** The sample assay results are independently generated by BVI who conduct QAQC procedures, which follow industry best practices.
	The use of twinned holes.	**CH:** Whilst CH-DDH018 and CH-DDH019 are twinned holes no assay results were reported from them in this announcement. **CR:** Not applicable, no drilling was reported in relation to this project.
	Documentation of primary data, data entry procedures, date verification, data storage (physical and electronic) protocols.	**CH:** No assay results were made part of this announcement in relation to this project. **CR:** Primary data (regarding assay results) is supplied to the Company from BVI in two forms: EXCEL and PDF form (the latter serving as a certificate of authenticity). Both formats are captured on Company desktops/laptops which are backed up from time to time. Only after critical assessment and public release of data (if appropriate), is the data entered into a database by a Company GIS personnel.
	Discuss any adjustment to assay data.	**CH:** No assay results were made part of this announcement in relation to this project. **CR:** 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.*	**CH:** Drill hole locations have been determined using a hand-held GPS. **CR:** Not applicable, no drilling was reported in relation to this project.
	Specification of the grid system used.	**CH/CR:** PSAD56.
	Quality and adequacy of topographic control.	**CH/CR:** 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.*	**CH:** The three holes subject of geological reporting in this announcement were logged on a continual basis (sub-10cm data capturing). Samples are collected every 1m to 2m. Spacing (distance) between data sets with respect to geology and sampling is in line with industry best practice. **CR:** Rock chip samples were not spaced but located to acquire specific geochemical information, including knowledge of vein mineralisation and foot/hanging wall mineralisation.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Data spacing and distribution cont…	*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.*	**CH/CR:** No representations of extensions, extrapolations or otherwise continuity of grade are made in this announcement.
	Whether sample compositing has been applied.	**CH:** Not applicable - no sampling was made part of this announcement in relation to this project. **CR:** 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.*	**CH:** As assay results are currently not available it can't be established that potential mineralisation is associated with the porphyry, mentioned in this announcement. Without such information "perpendicularity" to porphyry-hosted mineralisation cannot be ascertained at this time. **CR:** The rock chip sampling was carried out in conjunction with mapping, which included recording lithology, alteration, mineralisation, and structure. Whilst some samples preferentially selected known mineralisation (to obtain a "best grade assessment"), other rock chip samples included footwall and hanging-wall locations. A balanced sampling programme of potential grades in target mineralisation and country-rock was the principal focus of sampling which was achieved.
	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.	**CH:** 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. **CR:** Not applicable, no drilling was reported in relation to this project.
Sample security	*The measures taken to ensure sample security.*	**CH:** Not applicable - no sampling was made part of this announcement in relation to this project. **CR:** 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.*	**CH/CR:** 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.*	**CH:** 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. The Company has a 5-year mining assignment agreement whereby the Company may earn 100% outright ownership of the concession. **CR:** Tenement Type: Peruvian mining concession. Name: Two concessions: La Elegida, La Elegida I. Ownership: *La Elegida*: Sociedad Minera de Responsabilidad Limitada La Elegida; *La Elegida I*: Jhon Carlos Aquino Paucar. La Elegida: The Company has a 2-year mining assignment and purchase option agreement whereby the Company 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.	**CH:** The mining assignment agreement is in good standing at the time of writing. The concession is in good standing. **CR:** The mining assignment and purchase option agreement is executed through a Memorandum of Understanding. This MOU is legally binding and publically attested.
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	**CH:** The drill holes subject of this announcement were carried out by Energold – a drilling company that adheres to industry best practice. **CR:** The sampling subject of this announcement was carried out by the Company.
Geology	*Deposit type, geological setting and style of mineralisation.*	**CH:** The geological setting of the area subject to drilling 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. **CR:** The geological setting of the area subject to sampling is that of broadly folded and fault sequence of carbonate sediments belonging to the Triassic-Jurassic Pucara Group, including comprising the Chambara, Aramachay and Condorsinga Formations, which are concordantly overlaid by the

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Geology cont…		Cercapuquio and Chaucha-Chunumayo Formations.
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.*	**CH:** Coordinates of CH-DDH018/19/27 - refer to Table 1. **CR:** Coordinates of sampling are presented in Table 2.
	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.	**CH/CR:** 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.*	**CH/CR:** Not applicable – no weighting averages nor maximum/minimum truncations were applied.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations shown in detail.	**CH/CR:** 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.	**CH/CR:** 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').*	**CH:** 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. **CR:** No widths of mineralisation were made part of this announcement in relation to this project.
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.*	**CH/CR:** Plans showing hole/sample locations with coordinates was provided to locate the holes/sample 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*	**CH/CR:** The Company believes the ASX announcement provides a balanced report.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
	be practiced to avoid misleading reporting of Exploration 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.*	**CH/CR:** No other geological results have been referred to in this announcement in relation to these projects.
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).*	**CH/CR:** By nature of early phase exploration at both projects, 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.	**CH:** A plan showing the position of CH-DDH018, 19 & 27 provides relative positioning of the porphyry location (projected to the surface). Notwithstanding the graphic representation of the holes, no comment and graphic representation has been made as to the shape (extension) of the porphyry. **CR:** A plan showing the position sampling and old mine working provides relative positioning of the key geological information referred to in this announcement.

*****

Suite 1/16 Nicholson Road, Subiaco, Western Australia 6008 • PO BOX 38, West Perth, 6872
Telephone: +61 (08) 6145 0300 • ABN: 36 128 512 907
Website: www.incaminerals.com.au