14 December 2015

500m of Sulphide-bearing Porphyry and Breccia in CH-DDH033

HIGHLIGHTS

- **500m down-hole interval of sulphide-bearing porphyry and breccia in CH-DDH033 - open ended at 750m**
- **Sulphides include pyrite, arsenopyrite and chalcopyrite (a copper bearing mineral) - with noticeable increase in chalcopyrite with depth**
- **Multiple semi-massive and massive sulphide zones in CH-DDH033 also identified - possible additions to high-grade gold Chujcula Veins**

Results of CH-DDH033

Inca Minerals Limited ("Inca" or "Company") has received core logging results from CH-DDH033 - its second deep hole in the summit area of Mount Chanape and designed to test an extensive chargeability anomaly. **A down hole 500m sequence of porphyry and breccia with strong sulphides** has been intersected. CH-DDH033 will be extended to determine the extent of this very significant, currently open ended, zone of mineralisation. While further geological and geotechnical logging is required as CH-DDH033 progresses, the current results are considered highly encouraging. The monzodiorite porphyry and breccia sequence, occurring between *circa* 250m and 750m, contains high levels of pyrite, arsenopyrite and chalcopyrite (a copper-bearing mineral), the latter of which broadly increases with depth. Phyllic alteration (quartz, pyrite, sericite) is dominant in the porphyry and tourmaline is dominant in the breccia.

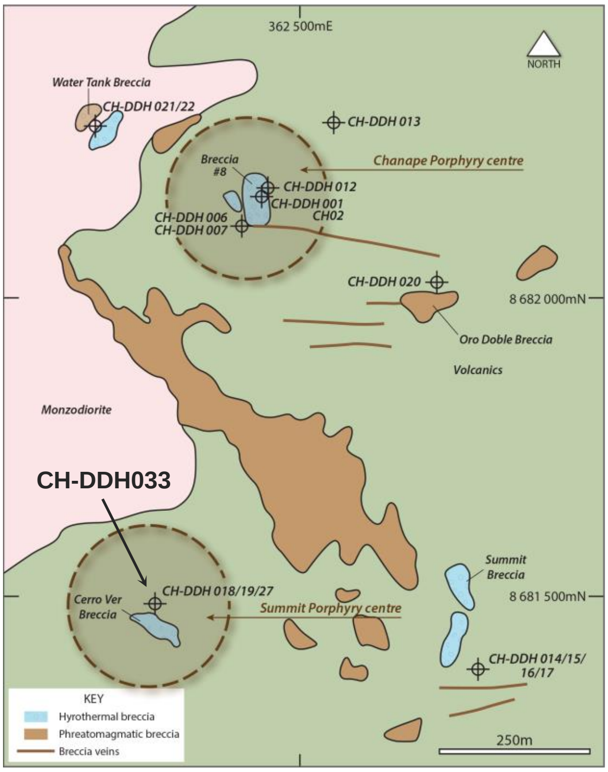

Figure 1: **ABOVE RIGHT** Plan showing location of CH-DDH033 in relation to the previous deep hole at the summit (CH-DDH027) and the known Summit Porphyry (*projected to the surface*).

Figure 2: **RIGHT** Core photo at 746.9m showing coarse masses of chalcopyrite and pyrite as matrix in a brecciated monzodiorite porphyry

Figure 3: Core photos of various features in CH-DDH033.

Figure 3a: **LEFT** Core photo at 226.4m showing a semi-massive vein with sericite and sulphides (arsenopyrite and pyrite). This vein is a possible fourth vein in the gold (Au), silver (Ag) Chujcula Vein Swarm.

Figure 3b: **LEFT** Core photo at 256.2m showing a matrix supported (the fragments of rock do not touch each other) tourmaline breccia. The clasts and matrix are to varying degrees replaced by sulphides (arsenopyrite and pyrite).

Figure 3c: **LEFT** Core photo at 341.9m showing a tourmaline breccia with a clast of a breccia. Clasts of breccias indicate multiple phases of rock breaking, which may arise in close association with multiple intrusive episodes below.

Figure 3d: **LEFT** Core photo at 369.7m showing a matrix supported polymictic (the rock fragments are comprised of several types of rock) tourmaline breccia.

Figure 3e: **LEFT** Core photo at 408.9m showing a clast supported (the rock fragments touch each other) tourmaline breccia. The matrix material is, in places, replaced by pyrite and chalcopyrite.

Figure 3f: **LEFT** Core photo at 561.2m showing a clast supported tourmaline breccia. The matrix material is, in places, replaced by pyrite and chalcopyrite. The chalcopyrite occurs as crystal growths.

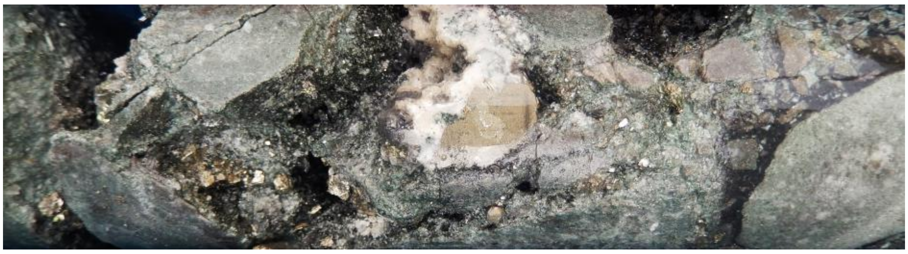

Figure 3g: **LEFT** Core photo at 575.8m showing tourmaline breccia with drussy quartz-carbonate complexes (dQtz-Carb) and sulphides as matrix material. Sulphides include pyrite, arsenopyrite and chalcopyrite.

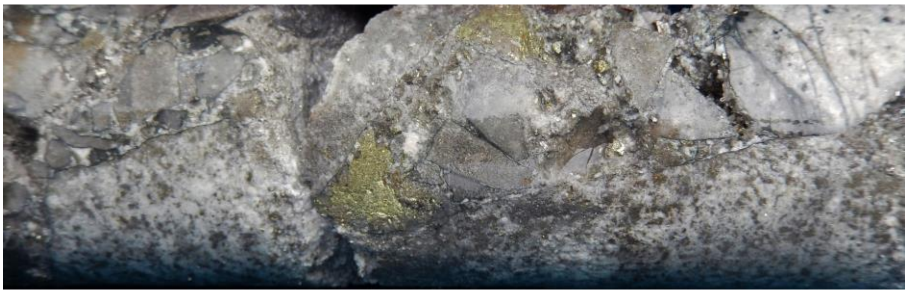

Figure 3h: **LEFT** Core photo at 606.3m showing tourmaline breccia with dQtz-Carb sulphides as matrix material. Sulphides include pyrite, arsenopyrite and chalcopyrite. The clasts contain finely disseminated sulphides of pyrite and chalcopyrite.

Figure 3i: **LEFT** Core photo at 607.6m showing tourmaline breccia. The clasts are very highly altered and the matrix is rich with pyrite, arsenopyrite and chalcopyrite.

Figure 3j: **LEFT** Core photo at 613.0m showing tourmaline breccia. The clasts are more tightly packed and the sulphides are increasing pyrite and chalcopyrite. This indicates a "root" position of the breccia.

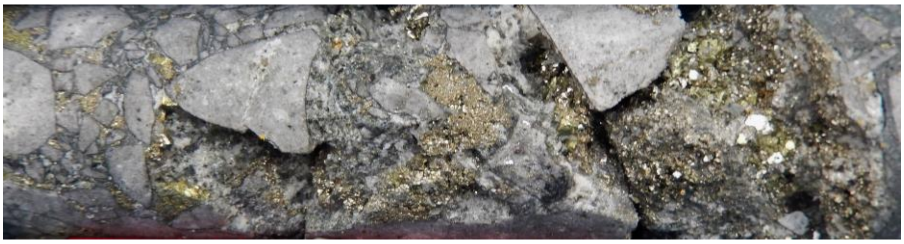

Figure 3k: **LEFT** Core photo at 626.3m showing tourmaline breccia. Chalcopyrite is the dominant sulphide occurring as large crystal growths in the matrix.

Figure 3l: **LEFT** Core photo at 724.9 showing tourmaline brecciated monzodiorite. The clasts are tightly packed and much larger in size with disseminated chalcopyrite. The matrix is tourmaline and chalcopyrite dominated.

Figure 3 note: In the series of core photos above – 3d to 3l (spanning roughly a 350m interval) a general increase in "yellow appearance" is evident. This reflects the general increase in chalcopyrite content of the core (metallic yellow).

CH-DDH033 appears to be drilling through the "pyrite zone" of the Summit Porphyry. Pyrite zones of Cu-porphyry deposits are characterised by phyllic alteration and typically surround, or juxtapose Cu-zones and may themselves contain important Cu mineralisation. The relative concentrations and types of sulphides contained in the porphyry-breccia sequence of CH-DDH033 and the alteration assemblage recorded in logging are entirely consistent with this. In CH-DDH033, the relative content of chalcopyrite is increasing with depth and the arsenopyrite content is generally decreasing with depth (as visually displayed in the core photos Figure 3a-l). The pyrite levels generally increase then decrease down the hole. Importantly, at lower depths of the hole the chalcopyrite occurs both as fine disseminations in the porphyry clasts and also as coarse masses within the breccia matrix, between the clasts (Figures 3e – 3l).

"The occurrence of an open ended 500m sequence of phyllic-altered porphyry-breccia with strong sulphides that coincides with a large chargeability anomaly expanding with depth is a tremendous result for the Company" says Inca's Managing Director, Mr Ross Brown. "That within the sequence there is coarse chalcopyrite in the matrix of the breccia and disseminated chalcopyrite in the porphyry, and that the relative content of chalcopyrite increases with depth, makes the hole all the more compelling."

In addition to the above results, at hole depths of 225m, 289m, 303m, 315m, 455m, 688m and 735m in CH-DDH033, faults and/or structures with semi-massive to massive sulphides have been identified. Subject to further interpretation these may be a continuation of the high-grade gold-bearing Chujcula Veins I & II or additional veins within the Chujcula Vein Swarm.

Results from CH-DDH032

CH-DDH032 was drilled across the 10 De Julio Vein Swarm in the north of the project area to test for polymetallic mineralisation. The hole successfully identified three zones of low grade mineralisation (Figure 4). The best interval is **11m at 0.26g/t Au and 14.67g/t Ag** at 90m down hole depth, which includes 3m at **0.35g/t Au, 23.87g/t Ag and 0.28% Cu from 98m** (Table 2). This mineralisation is believed to be an along-strike extension of the previously mined vein known as 10 De Julio Vein A (described in ASX announcement 10 December 2013). The drilling results of CH-DDH032 are comparable, but at the lower end, to that of past sampling, which indicate that 10 De Julio grades are highly variable; in the case of Ag: **5.6g/t to 313.6g/t** and in the case of Cu: **<1% to 8.7%**.

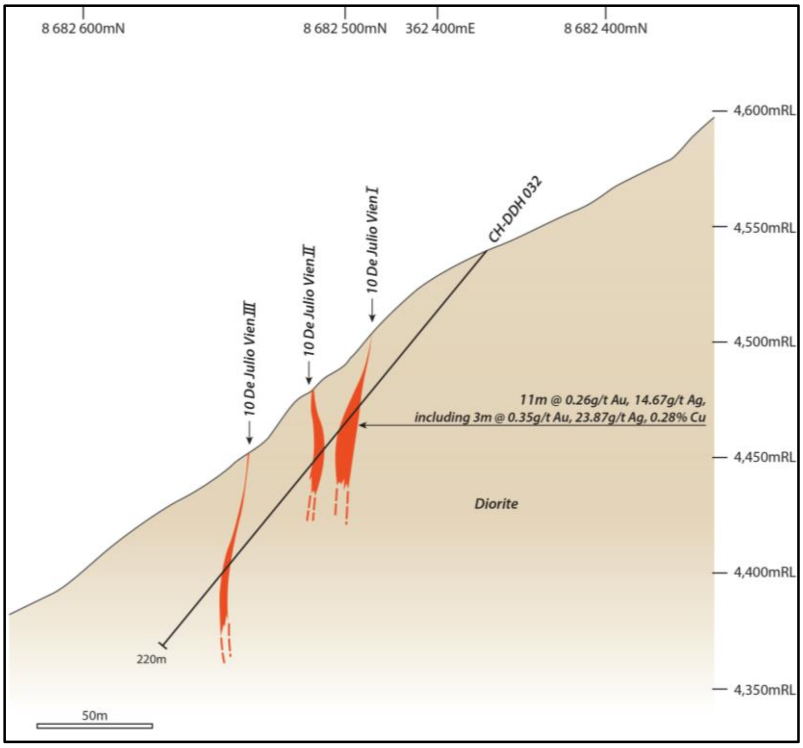

Figure 4: **RIGHT** Cross section of CH-DDH032. The three zones of mineralisation correspond to the three sub-parallel 10 De Julio Veins I (also known as "A"), II and III.

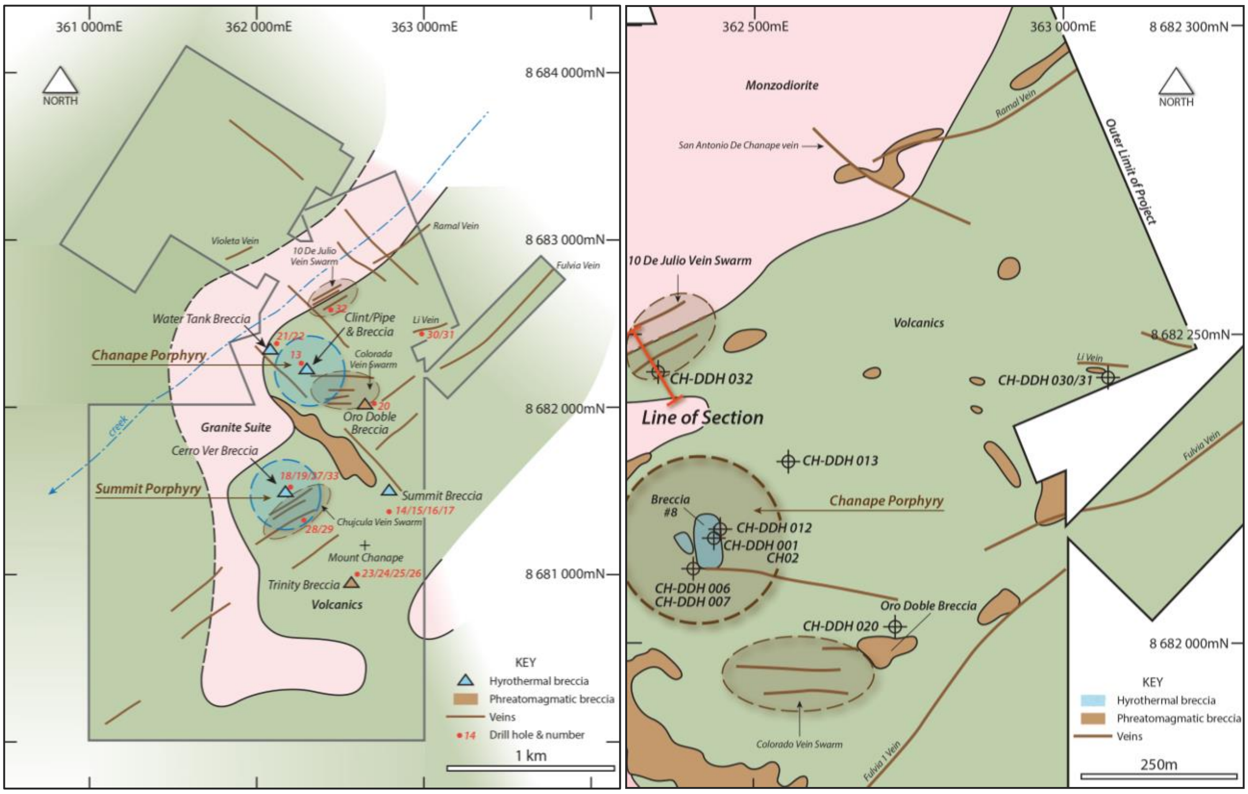

Figure 5a: **ABOVE LEFT** Plan showing the location of the sdEIA drilling. The second deep hole at the Summit is being drilled from the same platform as CH-DDH018/19/27. Whereas these holes were drilled at an angle towards the south, CH-DDH033 is being drilled at an angle towards the north. The three zones of mineralisation correspond to the three sub-parallel 10 De Julio Veins I (also known as "A"), II and III. Figure 5b: **ABOVE RIGHT** Plan showing the location of CH-DDH032 and the orientation of the cross section (Refer to Figure 4).

Significance of CH-DDH033 Results and Next Steps

CH-DDH033 has intersected a 500m down hole interval of breccia and monzodiorite porphyry which is open ended at a hole depth of *circa* 750m. The porphyry-breccia sequence is strongly sulphide-bearing with pyrite, arsenopyrite and chalcopyrite, the latter increasing relative to other sulphides with depth. CH-DDH033 appears to have drilled through the pyrite zone of the Summit Porphyry within and juxtaposed to a late-stage mineralised tourmaline breccia. The hole has also intersected numerous semi-massive to massive sulphide zones which may relate to cross-cutting, later stage veins. These veins may belong and add to the high-grade Au-Ag Chujcula Vein Swarm which occur in the adjacent holes CH-DDH018, 19 and 27 (Figure 5a).

"Our second deep hole drilled on Mount Chanape has intersected the longest interval of mineralised porphyry and breccia seen to date at Chanape and at accessible depths (the top of the sequence is well above the valley floor)" says Mr Ross Brown. "With the added prospect of significant extensions of the high grade Chujcula veins, CH-DDH033 has truly delivered a result that attests its dual resource potential *bona fides* as an epithermal-porphyry project."

The interim result of CH-DDH033 is assessed in the context of the Chanape Porphyry Exploration Model ("CPEM") (Figure 6), which represents the Chanape Porphyry System ("CPS") in a schematic NS-section. The CPEM shows that the CPS comprises more than one porphyry intrusion (two are known: the Chanape and Summit Porphyries). It shows that the CPS hosts a regional fault-controlled late-stage phreatomagmatic breccia, which is not mineralised; it shows that the CPS hosts numerous mineralised breccia pipes and veins that are derived from the underlying porphyry intrusions. CH-DDH033 is added to the CPEM, in light of recent results, adjacent to CH-DDH027, and close to the Summit Porphyry.

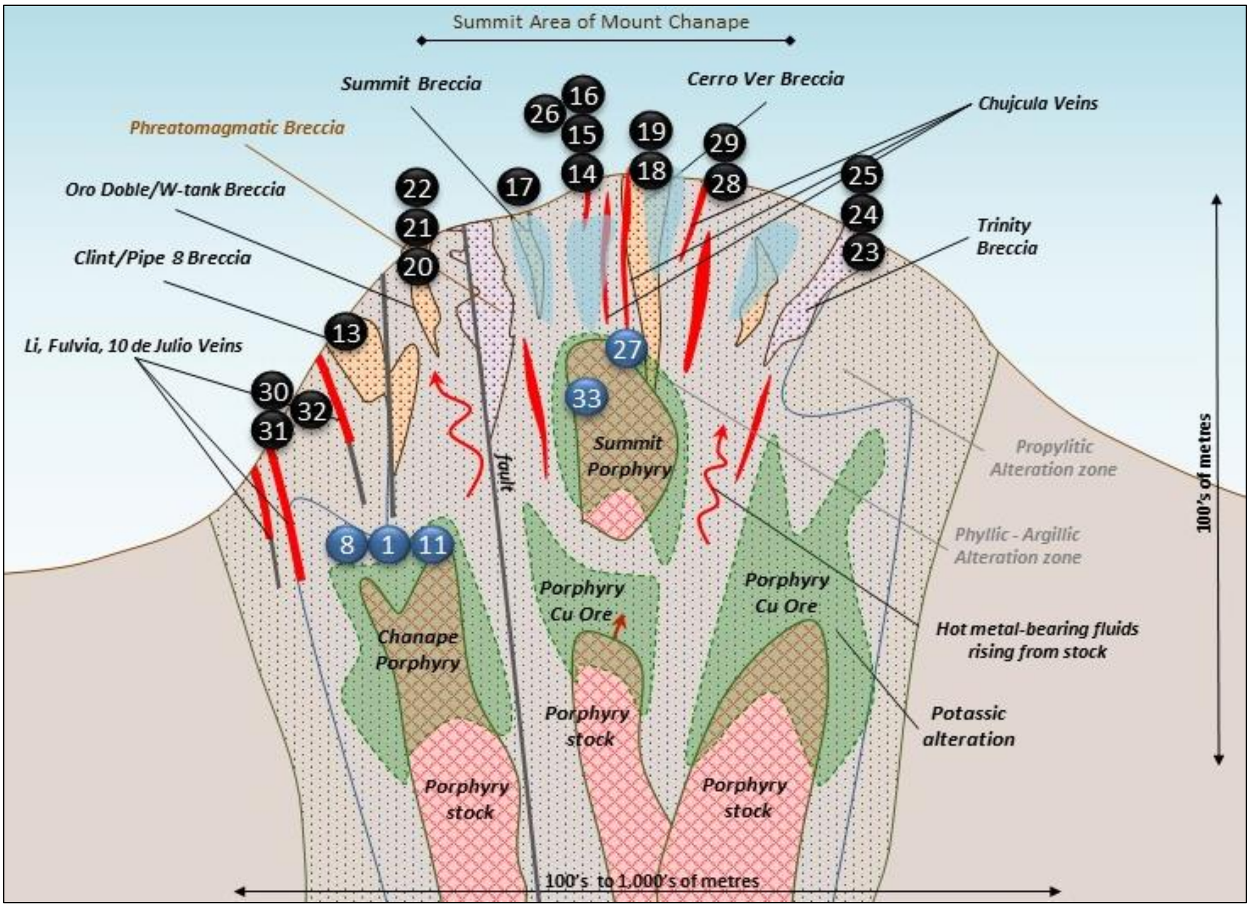

Figure 6: **ABOVE** The CPEM showing the internal architecture of the CPS. The open ended 500m sequence of high sulphide breccia and monzonite is believed associated with the pyrite zone of the Summit Porphyry. The breccia-dominated interval is the longest such interval drilled in Chanape drilling history.

The schematic positions of the 21 drill holes of the current drilling programme (CH-DDH013 to CH-DDH033) are shown in the CPEM (Figure 6). The results of these holes each provide vital components of that which is expected in a well preserved and large epithermal-Cu-porphyry system.

CH-DDH033 is being extended for the purposes of determining the down hole extent of the open ended sulphide bearing porphyry-breccia sequence. Detailed geological and geotechnical core logging and sampling will continue and is ongoing. Assay results are not expected for the complete hole until January 2016. Following completion of CH-DDH033 the drilling will pause at Chanape and is scheduled to resume in January/February 2016.

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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-DDH032	362410mE	8682450mN	PSAD56	4,520m	333°	45°	220m
CH-DDH033	362258mE	8681486mN	PSAD56	4,810m	335°	86°	N/A*

** CH-DDH033 has not reached its total planned depth at the time of writing.*

The Chanape drill camp

Table 2: Assay Results of CH-DDH032 (60m to 151m & 201m to 220m) PART HOLE ONLY

Sample Number	Interval			Au (g/t)	Ag (g/t)	Cu (ppm)	Pb (ppm)	Zn (ppm)
	From (m)	To (m)	Interval (m)					
DD-003203	60.00	61.00	1.00	0.019	0.9	338	72	173
DD-003204	61.00	62.00	1.00	0.011	1.3	316	161	273
DD-003205	62.00	63.00	1.00	0.006	0.6	282	74	186
DD-003206	63.00	64.00	1.00	0.029	2.2	168	110	256
DD-003207	64.00	65.00	1.00	0.028	5.3	437	285	406
DD-003208	65.00	66.00	1.00	0.018	2.4	291	172	282
DD-003209	66.00	68.00	2.00	0.007	1	212	233	464
DD-003211	68.00	70.00	2.00	0.0025	0.5	33	48	151
DD-003212	70.00	72.00	2.00	0.01	0.4	96	42	133
DD-003213	72.00	74.00	2.00	0.007	0.8	280	97	173
DD-003214	74.00	76.00	2.00	0.014	1.4	553	258	489
DD-003215	76.00	78.00	2.00	0.01	0.9	166	102	272
DD-003216	78.00	80.00	2.00	0.032	5.5	913	525	862
DD-003217	80.00	82.00	2.00	0.016	4.8	79	579	839
DD-003218	82.00	84.00	2.00	0.011	1.1	24	109	327
DD-003219	84.00	86.00	2.00	0.01	0.8	77	52	167
DD-003221	86.00	88.00	2.00	0.02	0.7	105	48	136
DD-003222	88.00	90.00	2.00	0.013	4.6	452	544	1135
DD-003223	90.00	91.00	1.00	0.16	22.6	763	2309	1198
DD-003224	91.00	92.00	1.00	0.063	9.7	939	279	46
DD-003225	92.00	93.00	1.00	0.418	15.1	1942	387	74
DD-003226	93.00	94.00	1.00	0.246	5.5	786	74	45
DD-003227	94.00	95.00	1.00	0.28	13.8	1724	386	88
DD-003228	95.00	96.00	1.00	0.1	6.2	793	163	80
DD-003229	96.00	97.00	1.00	0.385	7	751	227	55
DD-003231	97.00	98.00	1.00	0.156	9.9	428	359	76
DD-003232	98.00	99.00	1.00	0.628	41.5	3027	1598	133
DD-003233	99.00	100.00	1.00	0.261	16.5	3120	151	66
DD-003234	100.00	101.00	1.00	0.16	13.6	2239	141	51
DD-003235	101.00	102.00	1.00	0.087	9.3	485	344	51
DD-003236	102.00	103.00	1.00	0.04	9.9	313	280	75
DD-003237	103.00	104.00	1.00	0.072	3	187	81	49
DD-003238	104.00	105.00	1.00	0.084	5.7	143	254	666
DD-003239	105.00	107.00	2.00	0.048	6.1	150	348	326
DD-003241	107.00	109.00	2.00	0.081	5.6	335	257	291
DD-003242	109.00	111.00	2.00	0.037	2.9	177	242	322
DD-003243	111.00	113.00	2.00	0.019	5.2	121	847	1115
DD-003244	113.00	115.00	2.00	0.027	4.4	283	301	359
DD-003245	115.00	116.00	1.00	0.023	5.8	685	253	751
DD-003246	116.00	117.00	1.00	0.043	16.9	4866	713	1256
DD-003247	117.00	119.00	2.00	0.012	7.7	444	501	763
DD-003248	119.00	121.00	2.00	0.016	4.2	45	1137	1975
DD-003249	121.00	123.00	2.00	0.011	3	108	456	2131
DD-003251	123.00	125.00	2.00	0.012	2.1	52	322	1136
DD-003252	125.00	127.00	2.00	0.016	2	89	214	605
DD-003253	127.00	129.00	2.00	0.008	1.9	79	96	1413
DD-003254	129.00	131.00	2.00	0.012	1.1	36	164	344
DD-003255	131.00	132.00	1.00	0.006	1.4	23	451	526
DD-003256	132.00	133.00	1.00	0.024	0.7	7	120	256
DD-003257	133.00	135.00	2.00	0.018	0.9	8	234	331
DD-003258	135.00	137.00	2.00	0.019	1.7	23	337	876
DD-003259	137.00	139.00	2.00	0.012	0.6	13	61	233
DD-003261	139.00	141.00	2.00	0.032	0.5	12	32	210
DD-003262	141.00	143.00	2.00	0.015	0.3	4	13	69
DD-003263	143.00	145.00	2.00	0.009	0.4	9	12	68
DD-003264	145.00	147.00	2.00	0.009	0.2	20	8	66
DD-003265	147.00	149.00	2.00	0.008	0.4	12	8	67
DD-003266	149.00	151.00	2.00	0.009	0.4	16	12	66
DD-003294	199.00	201.00	2.00	0.011	0.7	19	75	168
DD-003295	201.00	203.00	2.00	0.057	1.6	23	193	356
DD-003296	203.00	205.00	2.00	0.036	2.7	91	438	721
DD-003297	205.00	206.00	1.00	0.092	5.5	88	1263	997
DD-003298	206.00	208.00	2.00	0.03	3.3	49	654	1034
DD-003300	208.00	210.00	2.00	0.026	2.2	27	498	1677
DD-003301	210.00	212.00	2.00	0.012	0.4	4	89	211
DD-003302	212.00	214.00	2.00	0.009	1.1	10	228	536
DD-003303	214.00	216.00	2.00	0.01	0.1	5	13	68
DD-003304	216.00	218.00	2.00	0.013	0.1	6	10	62
DD-003305	218.00	220.00	2.00	0.011	0.1	13	12	65

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 Chanape and San Antonio 8 (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.*	Sampling in this announcement refers to core assay results from drill hole CH-DDH032. Assays pertains to multi-element analysis of half-core samples collected from this drill hole. Results of key elements are presented in Table 2. This announcement also refers to geological logging from drill hole CH-DDH033.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	The drill hole locations were determined by hand-held GPS. Drill core was logged noting lithology, alteration, mineralisation, 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.	The drill core (of above) was cut (longitudinally) and bagged as 1 metre and 2 metre samples. Samples were sent to BV Inspectorate ("BVI") for multi-element analysis: Gold is assayed via Fire Assay (50g) with AAS finish (with detection limit 0.005ppm), multi-elements Multi-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.).*	The drilling technique used in the generation of reported geology and samples was diamond core from surface to end-of-hole. Core diameters used are HQ (63.5mm), NTW (57.1mm) and BTW (42mm). 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 – refer above. With no sample loss, no bias based on sample loss would occur.
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.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Logging cont…	*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 for every core-tray.
	The total length and percentage of the relevant intersections logged.	100% of the core was logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Core was sawn in half. One half was bagged and labelled, the remaining half was 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 Inca.
	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 was such that [apparent] mineralisation was equally represented in both values of the core. Sample intervals are fixed to whole-number down-hole intervals and collected as either a one or two metre sample. Sampling is not subject to visible signs of mineralisation other than measures to ensure representative sampling by core cut orientations.
	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 [apparent] 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.*	The analytical assay technique used in the elemental testing of core for non-Au was four-acid digest, which is considered a "complete" digest for most material types. Au techniques included Fire Assay with AA finish. Where samples return Au > 5g/t the sample is re-assayed using FA mesh and gravity.
	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 geophysical tool or electronic device was used in the generation of sample results other than those used by BVI in line with industry best practice.
	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 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 Inca personnel.*	The sample assay results are independently generated by BVI who conduct QAQC procedures, which follow industry best practice.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Verification of sampling and assaying cont…	*The use of twinned holes.*	This announcement refers to assay results of one drill hole (CH-DDH032). This hole is the only hole drilled at this location.
	Documentation of primary data, data entry procedures, date verification, data storage (physical and electronic) protocols.	Primary data (regarding assay results) is supplied to Inca from BVI in two forms: EXCEL and PDF form (the latter serving as a certificate of authenticity). Both formats are captured on Inca 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 Inca 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 drill-hole 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 two holes subject of reported assay results (CH-DDH032 only) and geological description (CH-DDH032/33) were logged in *circa* 10cm detail. Regarding assay results - samples were collated in 1 or 2 metre intervals. Spacing (distance) between data sets with respect to geology and assays 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.*	Sample orientation of the core is linear and thus directly related to hole orientations. Therefore, refer to the sub-section immediately below.
	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.	Multiple zones of mineralisation were referred to with regard to CH-DDH032. The angle of the hole to that of the interpreted orientation of the mineralisation is sufficiently obtuse to render the assay results unbiased in terms orientation.
Sample security	*The measures taken to ensure sample security.*	Pre-assay 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 Name: Chanape, 10 De Julio De Chanape. Ownership: The concessions are registered on INGEMMET (Peruvian Geological Survey) as assigned to Inca. Inca has a 5-year mining assignment agreement whereby Inca may earn 100% ownership of the concessions.
	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 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 (and reported in this announcement) is that of Mesozoic subduction zone, mountain-building terrain comprising acidic and intermediate volcanics and intrusives. Porphyry intrusions and associated brecciation have widely affected the volcanic sequence, introducing epithermal and porphyry style 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.*	Refer to Table 1 for coordinates of holes referred to in this announcement.
	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.	No exclusion of information has occurred – the information has been provided in Table 1.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
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.
	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 weighted 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 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').*	Wherever mineralisation is reported in this announcement, clear reference to it being "down hole" width/thickness is made. Commentary is also provided in terms of true widths (refer above).
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 and section has been provided for the mineralisation reported in the holes. The diagrams show hole location with coordinates and RL's.
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.*	Inca believes the ASX announcement provides a balanced report on the drill holes reported I n this announcement.
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 mineralisation associated with veins mined historically at Chanape. The mining activity and sampling programme was described in ASX announcement of 10 December 2013. This announcement also refers to geological information of drill hole CH-DDH032 described in ASX announcement of 27 November 2015.
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 section and plans showing the position of the two holes referred to in this announcement provides relative positioning of the mineralised intersections/geology described in this announcement.

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