18 December 2015

# CH-DDH033 Ends in Sulphide-Bearing Porphyry-Breccia Sequence

## HIGHLIGHTS

- **CH-DDH033 finishes in sulphide-bearing porphyry-breccia sequence at 908.6m**
- **Open ended porphyry-breccia sequence now occurs over 650m down hole**
- **Additional semi-massive to massive chalcopyrite veins identified**

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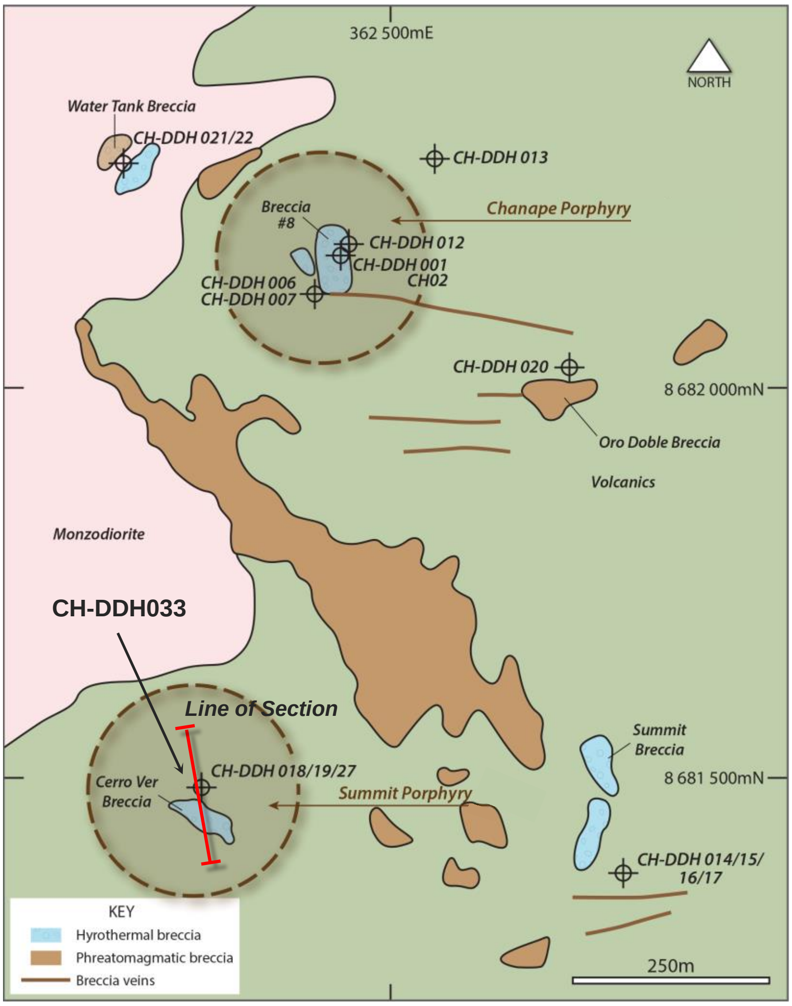
### *CH-DDH033 Ends in Porphyry*

Inca Minerals Limited ("Inca" or "Company") reports that CH-DDH033 has been stopped at a total depth of 908.6m. An additional 150m was drilled in the period following the ASX announcement (of 14 December 2015). The porphyry-breccia sequence occurring between 250m and 750m was also recognised between 750m and the end of the hole meaning ***the total porphyry-breccia sequence in CH-DDH033 is 650m (open ended).*** The hole was stopped at 908.6m to conserve metres for follow-up drilling from platforms at lower elevations.




The porphyry-breccia sequence between 750m and 908.6m is a continuation of that identified higher in the hole. Sulphides continue to be strong with a notable decrease of arsenopyrite. Total sulphides at *circa* 870m decrease as the hole drills through and out of the pyrite zone of the porphyry system. Zones of semi-massive and massive chalcopyrite (a copper-bearing mineral) occur in the lower 150m of the hole (Figure 2).

Alteration types change in the final 150m of CH-DDH033. Potassic alteration is seen more frequently, with biotite, K-feldspar and magnetite occurring as overprinting (replacement) minerals.

Figure 1: **LEFT** 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*).


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Figure 2a: **LEFT** core photo at 759.6m showing brecciated porphyry with pyrite/chalcopyrite matrix with drussy quartz (drussy quartz means quartz that occurs in cavities and is typically crystalline.

Figure 2b: **LEFT** core photo at 792.95m showing chalcopyrite vein cutting through porphyry, which contains disseminated chalcopyrite and pyrite.

Figure 2c: **LEFT** core photo at 813.25m showing massive chalcopyrite occurring as a vein (15cm wide – down hole). This vein occurs at the approximate elevation of the valley floor.

Figure 2d: **LEFT** core photo at 822.9m similar to Figure 2c, showing semi-massive to massive chalcopyrite occurring as a vein (25cm wide – down hole).

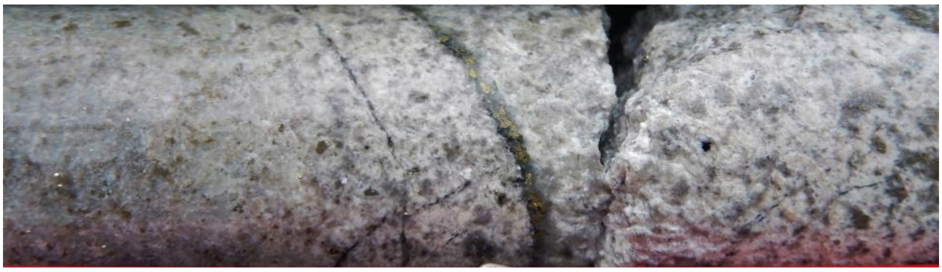
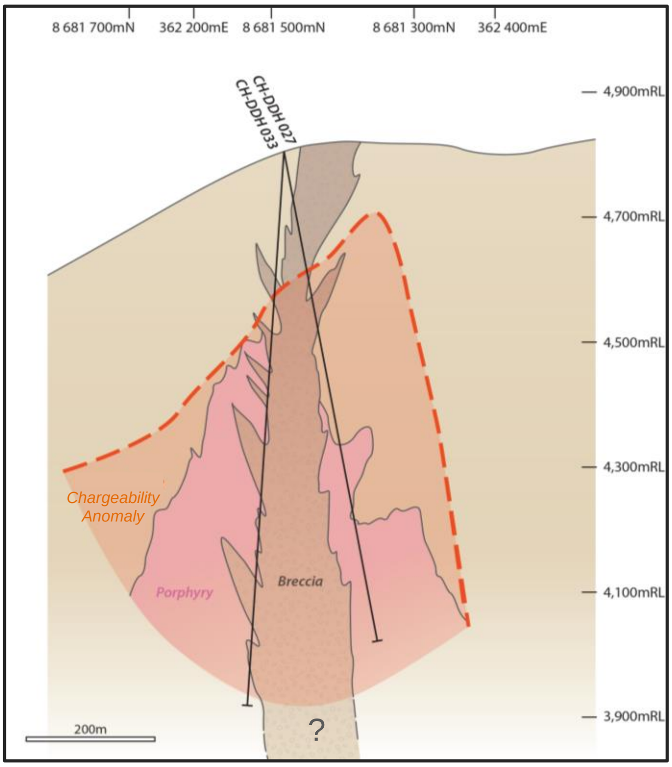
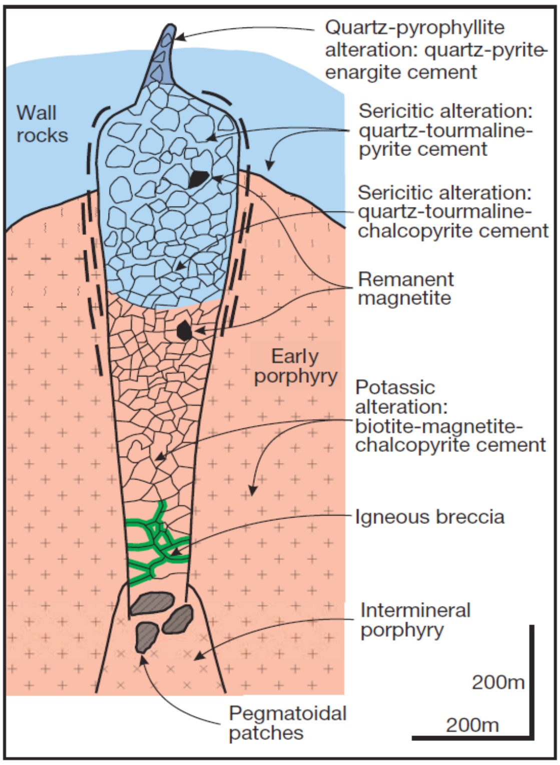


Figure 2e: **LEFT** core photo at 864.65m showing porphyry with patches of chalcopyrite and pyrite and a thin cross-cutting vein of chalcopyrite and pyrite.

The characteristics of the breccia also subtly changes. In the bottom 150m of the hole the breccia is more typically either a crackle breccia or a jigsaw breccia (rock broken *in situ* – in this case monzodiorite porphyry). Using geological information from drill holes CH-DDH018, CH-DDH019 and CH-DDH027, which were drilled from the same platform as CH-DDH033, ***the breccia that is now known to be associated with the porphyry occurs over a vertical range of 1,000m*** (Figure 3a). In broad terms, it transitions from a loose breccia to a tight breccia (matrix dominated to clast dominated). It is characteristic of breccias occurring at the apex of a Cu-porphyry deposit (Figure 3b).

Figure 3a **BELOW LEFT** schematic NNW-SSE cross section showing simplified geology of CH-DDH033 and CH-DDH027. The breccia is believed to be associated with and derived from a mineralised porphyry. The breccia has a vertical range of 1km and is open ended. The high sulphide-bearing porphyry-breccia sequence in CH-DDH033 coincides with a large chargeability anomaly that broadens at depth. Figure 3b **BELOW RIGHT** from Sillitoe 2010[1] showing a schematic depiction of a large magmatic-hydrothermal breccia body genetically linked to the apex of an intermineral porphyry intrusion ("intermineral" pertains to the timing and mineralised nature of a porphyry intrusion).




***Significance of Results and Next Steps***

***CH-DDH033 has intersected a down hole, open ended 650m interval of sulphide bearing porphyry and breccia.*** It represents the longest sulphide-bearing drill intersection drilled at Chanape to date. The porphyry-breccia sequence contains attributes that are highly encouraging in terms of a Cu-porphyry deposit. These attributes include:

- Pervasive high levels of sulphide over a 650m down hole sequence which is open ended and largely above the elevation of the valley floor.
- Associated breccia body (also in CH-DDH018/19/27) that extends over 1,000m vertically which is open ended.
- Pervasive pyrite with peak levels corresponding to the pyrite zone of a Cu-porphyry.
- Pervasive chalcopyrite (a copper bearing mineral).
- Pervasive arsenopyrite with levels broadly decreasing with depth.

[1] Sillitoe, R. H. (2010) Porphyry copper systems ECONOMIC GEOLOGY v. 105, pp 3-41.

- Alteration minerals that change from propylitic (in association) to strongly phyllic to weakly potassic in a down hole direction.
- Breccia characteristic of a magmatic hydrothermal breccia (Figure 3b) including:
  - Breccia changes from being open (matrix dominated – implying clast movement or transportation) to closed (clast dominated – *in situ*) in a down hole direction.
  - Breccia clasts that are comprised of porphyry with disseminated chalcopyrite.
  - Breccia matrix that commonly contains drussy quartz and coarse chalcopyrite – evidence of open spaces in the breccia which are favourable sights for mineralisation.
- Multiple occurrences of semi-massive to massive sulphides that may represent discrete, late-stage veins.

It is believed that hole CH-DDH033 is drilled from an outer propylitic zone to an inner potassic zone of a Cu-porphyry deposit, and in the process, drills through a high sulphide pyrite zone with significant chalcopyrite. In a highly simplified Cu-porphyry model (Figure 4), CH-DDH033 is "positioned" relative to the Cu-porphyry. As a simplified model, the ore zones (grey shaded areas) are presented as vertical features on the side of a single porphyry body.

In reality, porphyry ore bodies have many different orientations and shapes controlled by porphyry geometries and post mineralising influences. It is already known, for example, that Chanape hosts at least two porphyries (the Chanape Porphyry and the Summit Porphyry) and it is already known that Chanape hosts several well-endowed breccia pipes (eg. Clint/Pipe 8) and veins (eg. Chujcula Veins) that are all related to and created by mineralising processes associated with porphyry activity. It is already known that an apparent late-phase, un-mineralised phreatomagmatic breccia has intruded between the two porphyries. ***The shape, composition and grade of a potential Chanape ore body will reflect the diversity in mineralisation styles occurring, as are ore bodies of most large multi-porphyry Cu deposits***.

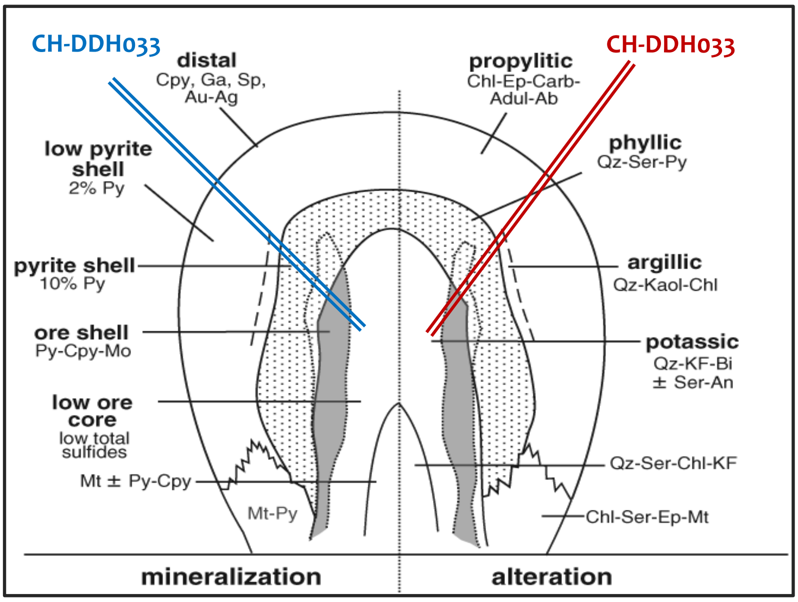



Figure 4: Stylised Cu-porphyry model after Lowell and Guilbert, 1970)[2]. The left half shows mineralisation where: Py = pyrite, Cpy = chalcopyrite, Mo = molybdenite. The right half shows alteration where: Qz = quartz, Ser = sericite, Chl = chlorite, Bi = biotite, Mt = magnetite. The relative position of CH-DDH033 is shown on the left half. It is an approximation only but useful in visualising the zones penetrated by the hole in a porphyry system.

[2] Lowell, J.D. & Guilbert, J.M. (1970) Lateral and vertical alteration-mineralization zoning in porphyry ore deposits ECONOMIC GEOLOGY v. 65, pp 373-408.

Following the completion of CH-DDH033 the drilling programme will pause briefly before resuming in 2016. Assay results for CH-DDH033 are expected in mid to late January 2016. Subject to drill parameter refinements (dip and azimuth) according to the precise targeting of potential ore-zones in CH-DDH033, drilling will include further holes into the porphyry-breccia sequence from platforms at lower elevations.

A total of 21 holes and 5,179.05m were drilled at Chanape in 2015 (Table 1). The average depth of the 19 shallow holes that mostly targeted epithermal targets occurring at or near the surface was 182.6m. The average depth of the 2 deep holes that targeted porphyry was 854.3m. Key results include the discovery of the Summit Porphyry, the discovery of the high grade Chujcula and Li veins, the confirmation of the high grades of the Clint/Pipe 8 Breccia Complex and the confirmation of broad grades at the Oro Doble Breccia Complex. The 2015 drilling campaign at Chanape has been beyond Company expectations.

Table 1: **BELOW** Summary Drill Holes 2015

| Drill Hole Number | Platform | Project area | Target type/name | Hole Depth (m) | Hole Parametres | | Coordinated | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Azimuth | Dip | Eastings (mE) | Northings (mN) | Elevation (m) |
| CH-DDH013 | CHP2-034 | Breccia 8 Area | Clint Breccia | 330.00 | 225 | 58 | 362560 | 8682295 | 4682 |
| CH-DDH014 | CHP2-018 | Summit | gold-bearing veins | 109.10 | 170 | 45 | 362802 | 8681378 | 4920 |
| CH-DDH015 | CHP2-018 | Summit | gold-bearing veins | 96.70 | 170 | 60 | 362802 | 8681378 | 4920 |
| CH-DDH016 | CHP2-018 | Summit | gold-bearing veins | 60.00 | 192 | 45 | 362802 | 8681378 | 4920 |
| CH-DDH017 | CHP2-018 | Summit | Summit Breccia | 335.15 | 350 | 45 | 362802 | 8681378 | 4920 |
| CH-DDH018 | CHP2-016 | North Summit | Cerro Ver Breccia | 163.50 | 180 | 50 | 362258 | 8681486 | 4810 |
| CH-DDH019 | CHP2-016 | North Summit | Cerro Ver Breccia | 318.00 | 180 | 75 | 362258 | 8681486 | 4810 |
| CH-DDH020 | CHP2-032 | Breccia 8 Area | Oro Doble Breccia | 250.00 | 210 | 60 | 362779 | 8682045 | 4725 |
| CH-DDH021 | CHP2-033 | Breccia 8 Area | Water Tank Breccia | 214.50 | 120 | 60 | 362185 | 8682265 | 4505 |
| CH-DDH022 | CHP2-033 | Breccia 8 Area | Water Tank Breccia | 153.00 | 300 | 60 | 362185 | 8682265 | 4505 |
| CH-DDH023 | CHP2-004 | South Summit | Trident Breccia | *190.50* | 360 | 50 | 362445 | 8680790 | 4780 |
| CH-DDH024 | CHP2-008 | South Summit | Trident Breccia | 178.50 | 240 | 50 | 362532 | 8680867 | 4786 |
| CH-DDH025 | CHP2-008 | South Summit | Trident Breccia | 198.40 | 240 | 50 | 362532 | 8680867 | 4786 |
| CH-DDH026 | CHP2-009 | South Summit | gold-bearing veins | 141.00 | 0 | 45 | 362579 | 8680952 | 4820 |
| CH-DDH027 | CHP2-016 | North Summit | Cerro Ver Breccia and possible porphyry | 800.00 | 155 | 80 | 362258 | 8681486 | 4810 |
| CH-DDH028 | CHP2-014 | Summit | Chuycula Vein III | 120.00 | 145 | 45 | 362410 | 8681320 | 4856 |
| CH-DDH029 | CHP2-014 | Summit | Chuycula Vein III | 85.50 | 180 | 45 | 362410 | 8681320 | 4856 |
| CH-DDH030 | CHP2-039 | NE Chanape | Li Vein | 87.00 | 4 | 45 | 363072 | 8682422 | 4722 |
| CH-DDH031 | CHP2-039 | NE Chanape | Li Vein | 219.60 | 52 | 45 | 363072 | 8682422 | 4722 |
| CH-DDH032 | CHP2-037 | Valley area | 10 De Julio Vein | 220.00 | 333 | 45 | 362410 | 8682450 | 4520 |
| CH-DDH033 | CHP2-016 | North Summit | Summit Porphyry | 908.60 | 335 | 86 | 362258 | 8681486 | 4810 |
| *21 Holes* | | | | **5179.05** | | | | | |

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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 2: Drill Hole Parameters

| Hole Number | Coordinates | | | Height above sea level | Azimuth | Dip | Total Depth |
|---|---|---|---|---|---|---|---|
| | Easting | Northing | Datum | | | | |
| CH-DDH033 | 362258mE | 8681486mN | PSAD56 | 4,810m | 335° | 86° | 908.6m |


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## 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 concession 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.* | Sampling in this announcement refers to geological results of the last (lower most) 150m of 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 location was 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 have been and will be 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). No assay results are currently available. |
| **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 hole was 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. |
| | *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. |

| CRITERIA | JORC CODE EXPLANATION | COMMENTARY |
|---|---|---|
| **Logging cont…** | *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/is being sawn in half. One half was/is being bagged and labelled, the remaining half was/is being 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 of reported geology subject of this announcement were core. |
| | *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | Core sampling follows/ed industry best practice. |
| | *Quality control procedures adopted for all sub-sampling stages to maximise "representivity" of samples.* | No sub-sampling procedures were/is being 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/is 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 to be 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/is being 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 are/will be 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 geological results of one drill hole (CH-DDH033). Reference to geological findings of CH-DDH027, and to a lesser extent, CH-DDH018 and CH-DDH019 are made. All four holes were drilled from the same platform. The holes may be considered twinned in the context of geological information. |
| | *Documentation of primary data, data entry procedures, date verification, data storage (physical and electronic) protocols.* | Primary data (regarding assay results) will be supplied to Inca from BVI in two forms: EXCEL and PDF form (the latter serving as a certificate of authenticity). Both formats will be captured on Inca desktops/laptops which will be backed up from time to time. Only after critical assessment and public release of data (if appropriate), will the data be entered into a database by Inca GIS personnel. |
| | *Discuss any adjustment to assay data.* | No adjustments are expected to be 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 location 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 one hole subject of reported geological results (CH-DDH033) was logged in *circa* 10cm detail. Regarding future assay results - samples were/are being 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.* | Geological interpretations (involving extensions, extrapolations or otherwise continuity of geological information) were made in the creation of a schematic cross section. The data interval is considered sufficiently consistent and proximal to render such interpretations valid. |
| | *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* | Multiple zones of visual mineralisation are referred to with regard to CH-DDH033 The angle of the hole to that of the interpreted |

| CRITERIA | JORC CODE EXPLANATION | COMMENTARY |
|---|---|---|
| **Orientation of data in relation to geological structure cont…** | *considered to have introduced a sampling bias, this should be assessed and reported if material.* | orientation of the mineralisation is sufficiently obtuse to render 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. |
| **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.<br>Concession Name: Chanape.<br>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 hole subject of this announcement was 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:*<br>• *Easting and northing of the drill hole collar*<br>• *Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar.*<br>• *Dip and azimuth of the hole.*<br>• *Down hole length and interception depth.*<br>• *Hole length.* | Refer to Table 2 for coordinates of the hole referred to in this announcement. |

| CRITERIA | JORC CODE EXPLANATION | COMMENTARY |
|---|---|---|
| **Drill hole information cont…** | *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 2. |
| **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.*<br>*If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>*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 (pertaining to visual sulphides), clear reference to it being "down hole" width/thickness is made. |
| **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 showing drill coverage and *ipso facto* extent of visual sulphide mineralisation reported in the hole. 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 in 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 geological information of drill hole CH-DDH027 - described in ASX announcement of 12 October 2015; and to geological information of drill hole CH-DDH033 – (0m to 750m) described in ASX announcement of 14 December 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 showing the position of CH-DDH027 & CH-DDH033 provides relative positioning of the mineralised intersections/geology described in this announcement. |


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