29 January 2013

Sulphide-bearing porphyry intersected in first hole at Chanape

HIGHLIGHTS

- Sulphide-bearing monzonite porphyry intersected at 380m in first hole (CH-DDH001) at Chanape
- CH-DDH001 extended to at least 600m depth with monzonite porphyry still present at 500m depth (initial E.O.H.)
- Monzonite porphyry occurs below Breccia Pipe 8, which has known gold, silver and copper mineralisation from surface to >100m with av. grade of 1.3g/t Au, 24g/t Ag and 0.2% Cu
- Monzonite porphyry contains sulphides over entire intersection
- Sulphides include pyrite, arsenopyrite, chalcopyrite and bornite as disseminations, stockwork veins, blebs and massive-veins, ranging from 1% to 30% of the rock
- Rockchip sampling nearCH-DDH001 returns grades up to 11.25g/t gold, 26.1g/t silver and 0.5% copper

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Drilling Program – sulphide bearing porphyry discovered

The Company is pleased to announce the discovery of a sulphide-bearing monzonite porphyry below Breccia Pipe 8. The monzonite porphyry occurs at 380m and is open-ended at 500m. A decision was made on-site by the Managing Director to extend the hole to at least 600m. This monzonite porphyry does not outcrop nor appear in other previous drilling.

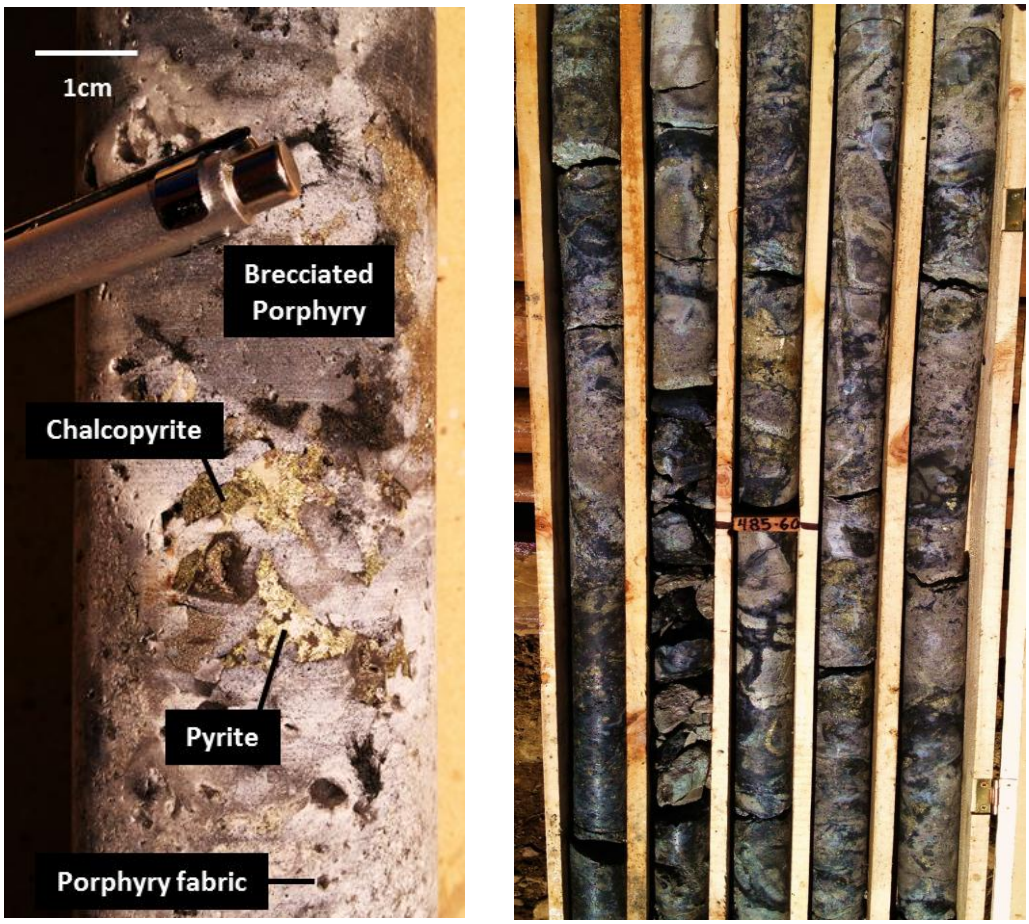
The monzonite porphyry is believed to be associated with and responsible for the emplacement of gold-silver-copper bearing Breccia Pipe 8, which occurs above it. Breccia Pipe 8 has an average grade of 1.3g/t gold, 24g/t silver and 0.2% copper, with a trend-line in copper increasing with depth.

Sampling of CH-DDH001 is continuing with assay results available in the near future.

The monzonite porphyry contains disseminated sulphides throughout its interval. The disseminated sulphides comprise between 1% and 2% of the rock. Sulphide bearing veins also occur throughout the porphyry, typically associated with zones of intense stock-working. Irregular "blebby" sulphides (Figure 1a) are common and centimetre-wide sulphide veins, comprising up 30% of the rock, occur locally.

The porphyry is ubiquitously altered. Alteration includes: pervasive vuggy silica, sericite, concentrations of tourmaline/sulphide rosettes, chlorite, carbonate (as veins/matrix-fill) and rarer magnetite (as veins). Tourmaline is demonstrably associated with higher sulphide zones.

Figure 1: CH-DDH001, a) detail of sulphide mineralisation at 470m, showing the jigsaw blebs of pyrite and chalcopyrite as matrix within the brecciated porphyry [left]; b) an NQ core box containing five metres of brecciated monzonite porphyry (from approximately 483m to 488m). [right]. Sulphide mineralisation is widespread throughout the monzonite porphyry.



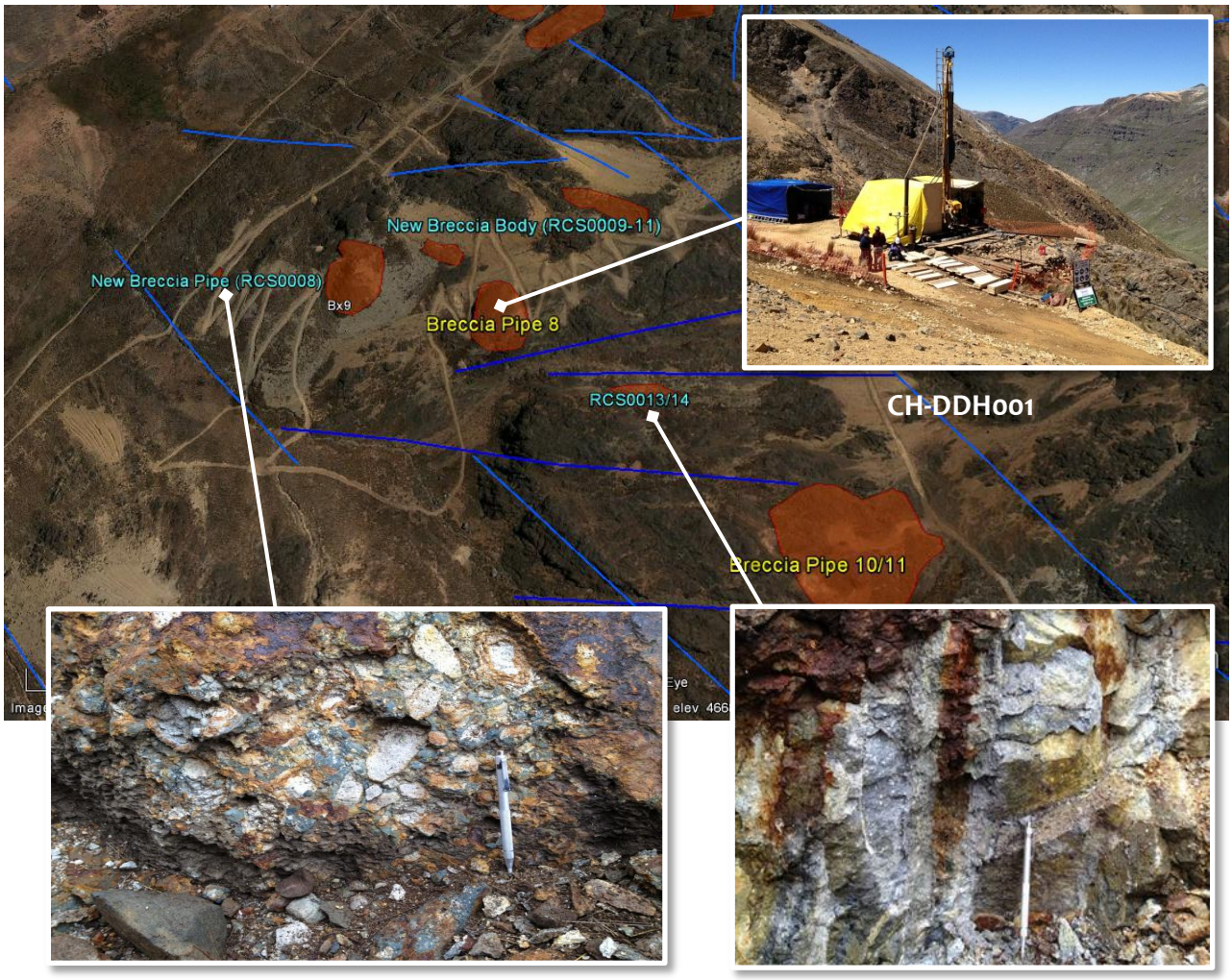
Rock Chip Program – additional gold, silver, copper-bearing breccias discovered near CH-DDH001

Assay results from a geological mapping and rock chip sample program conducted in the vicinity of CH-DDH001 has returned high gold, silver and copper values (refer to table 1) and increased the Company's understanding of surface mineralisation in the immediate vicinity of Breccia Pipe 8 and Breccia Pipes 10/11. This will assist in the three-dimension evaluation of mineralisation in the area.

CH-RCS0009 **(11.25g/t Au, 26.1g/t Ag, 0.25% Cu)** and CH-RCS0010 **(2.99g/t Au, 4.4g/t Ag)** are samples of a newly discovered (not previously reported) breccia body located approximately 130m northeast of Breccia Pipe 8. CH-RCS0013 **(2.25g/t Au, 25.7g/t Ag, 0.502% Cu)** is a sample of another newly discovered brecciated (porphyritic) body located between hydrothermal Breccia Pipe 8 and Breccia Pipe 10. Multi-element assay results indicate epithermal gold mineralisation is closely related to arsenopyrite, typical of epithermal gold deposits.

Another significant result is CH-RCS0008 **(0.108g/t Au, 5.6g/t Ag)**, which is a sample of a newly discovered breccia pipe located 300m west of Breccia Pipe 8. This illustrates that other new breccia pipes in the area are mineralised.

Figure 2: Map showing location of CH-DDH001 (Breccia Pipe 8) and Pipe 10/11 Complex with the location of the recent rock chip samples and new breccia bodies [blue lines mark photo-lineaments]



New Breccia pipe (CH-RCS0008)

Argillic-altered porphyritic breccia (CH-RCS0013)

Chanape breccia / porphyry zone the focus of attention

The important discovery of a sulphide-bearing monzonite porphyry below Breccia Pipe 8, combined with the presence of known gold mineralisation from surface to 200m depth in Breccia 10, the presence of other known mineralised breccia bodies (Breccia 11, and the newly discovered mineralised breccia bodies from the recent rock-chip sampling program with gold up to 11.25g/t), brings this part of the Chanape Project sharply into focus.

The approximate area pictured in Figure 2 will be the subject of intense follow-up work including detailed geological mapping, rock chip channel sampling and continued drilling. Breccia 11 will be drilled in the coming days.

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The information in this report that relates to Exploration Results is based on information compiled by Mr Ross Brown, Managing Director, Inca Minerals Limited, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Brown is a full time employee of Inca Minerals Limited. 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 by the 2004 edition of the "Australia Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brown consents to the report being issued in the form and context in which it appears.

Core boxes laid out for systematic sampling

Table 1: Complete results of recent rock-chip sampling program

Sample Number	Rock Type	Location			Au (g/t)	Ag (g/t)	Cu (ppm)
		Description	Lat	Long			
CH-RCS0001	Hornfels	Along main access track	11°55'08.84"S	76°15'58.62"W	<0.005	0.7	15
CH-RCS0002	Qtz porphyry (float)	Along main access track	11°55'24.71"S	76°16'15.46"W	<0.005	<0.5	20
CH-RCS0003	Monzonite	Along main access track	11°55'15.48"S	76°16'09.59"W	<0.005	0.5	13
CH-RCS0004	Monzo-diorite (porphyritic)	Along main access track	11°55'11.21"S	76°16'06.36"W	<0.005	<0.5	7
CH-RCS0005	Monzonite (porphyritic)	Along main access track	11°55'10.31"S	76°16'05.64"W	<0.005	1.2	72
CH-RCS0006	Monzonite (porphyritic)	Along main access track	11°55'10.31"S	76°16'05.64"W	<0.005	1.2	9
CH-RCS0007	Hornfels	Along main access track	11°55'15.88"S	76°15'53.45"W	<0.005	1	72
CH-RCS0008	New Breccia (pipe)	300m W of HBx 8	11°55'15.25"S	76°16'04.74"W	<0.005	5.6	362
CH-RCS0009	**New Breccia (vein)**	**100m NE of HBx 8**	11°55'15.04"S	76°15'51.48"W	**11.25**	**26.1**	**2500**
CH-RCS0010	**New Breccia (vein)**	**100m NE of HBx 8**	11°55'15.04"S	76°15'51.48"W	**2.99**	**4.4**	**146**
CH-RCS0011	Hornfels adjacent to new breccia	100m NE of HBx 8	11°55'15.04"S	76°15'51.48"W	<0.005	0.6	47
CH-RCS0012	Crackle Breccia (Bx10)	20m W of HBx 10	11°55'23.95"S	76°15'47.77"W	0.008	0.7	79
CH-RCS0013	**New [porphyritic] Breccia (vein)**	**150m SE of HBx 8**	11°55'20.01"S	76°15'51.10"W	**2.25**	**25.7**	**5020**
CH-RCS0014	New [porphyritic] Breccia (vein)	150m SE of HBx 8	11°55'20.01"S	76°15'51.10"W	0.013	0.7	58

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