



23 October 2012

DRILLING CONTRACT SIGNED FOR CHANAPE PROGRAM

HIGHLIGHTS

- **Bramsa (Bradley-MDH) drilling contract signed in preparation for drilling next month**
- **The Checa community approves drilling program at Chanape**
- **Drill holes to test depth of gold-silver-copper mineralisation of breccia pipes**
- **Breccia Pipe 8 has open ended mineralisation @ 2.06 Au eq from surface to over 100m**
- **Breccia Pipe 10 has significant gold mineralisation to 200m from surface**
- **Both breccias are hydrothermal breccia pipe believed associated with proximal porphyry**

Inca Minerals Limited (“Inca” “Company”) is pleased to announce that it has signed a drilling contract with Bramsa (Bradley-MDH) (“Bramsa”) to provide drilling services at the Company’s flagship Chanape porphyry project. Bramsa has over many years developed particular expertise in diamond core services in Peru. They count as clients Anglo American, BHP-B Tintaya, IAMGOLD, Barrick, Newmont, Rio Tinto Teck Cominco, to name a few.

The Company intends drill testing the mineralised breccia pipes that were identified in previous exploration. Breccia Pipe 8 has open ended mineralisation from surface to over 100m @ 2.06 Au eq and Breccia Pipe 10 has gold mineralisation to 200m from surface. Both breccias are interpreted as magmatic hydrothermal breccia pipes and believed associated with proximal porphyry.

“The BRAMSA LD-250 diamond core drill rig, selected for our program, will have the capacity to drill to depths required to satisfy the objectives of this program” Inca’s Managing Director, Ross Brown, says. “We’ve seen the rig that will be used for the program and have met the team at Bramsa. I am very pleased to have enlisted the services of such a reputable and capable drilling company.”

A necessary part of drill planning is community approval. The Company is also pleased to announce that the Checa community has approved drilling at Inca’s flagship Chanape Gold-Silver-Copper Porphyry Project. This paves the way for final approvals and anticipated drill commencement next month.

“Social licence is important in conducting operations in Peru”, Mr Brown, continues. “In recognition of this and as part a “reach-out” approach to social licence, we have three permanent social workers living with the Checa Community developing a genuine nexus between the people of the Checa community and us. The Company has the support from the Checa community for our activities at Chanape.”

The Checa community own the surface rights of the Chanape Project.

Inca’s community representative, Mr Sergio Rodolfo Ponce Goncalvez, in association with the community and environment consultants FOMPER, recently made a presentation to the community, which resulted in overwhelming support of the drilling program.



Figure 1: Social Mapping in the Checa community

Inca also actively engages people from the Checa community in Chanape operations and has sponsored a number of community workshops, cultural/heritage events and municipality/local government celebrations. Members of the community will be involved in the drilling program, including such contributions as providing core-boxes, building drill platforms, assisting in drill rig movements and core sampling.



Figure 2: Celebrating Checa heritage.

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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.

Gold Equivalent (Au eq) calculation represents the total value of each metal, multiplied by a conversion factor (to obtain a standard price per unit), summed and expressed in equivalent gold grams per tonne (g/t). These results are exploration results only and no allowance is made for recovery losses that may occur should mining take place. However, it is the Company’s opinion that the elements included in this calculation (Au, Ag, Cu, Pb, Zn) have a reasonable potential to be recovered as evidenced in previous mining in the area and similar multi-commodity natured mines and deposit-types in the world. The price assumptions are: gold: US\$1,735/oz ; silver: US\$33.68/oz; copper US\$3.60/lb, lead US\$0.95/lb and zinc US\$0.88/lb.