30 November 2012

Gold intersection of 46m @ 2.05g/t Au*eq* (1.82g/t Au and 11.75g/t Ag) from 15m to 61m identified at Chanape

HIGHLIGHTS

- New assay results from recently sampled core of Breccia Pipe 10 confirm continuous gold and silver mineralisation from-surface to 200m depth
- Average grade over 200m is 0.81g/t Au*eq* (0.71g/t gold and 5.34g/t Ag), which includes:
  - **102m @ 1.32g/t Au*eq* (1.18g/t Au and 7.27g/t Ag) from 15m to 117m depth**
  - **46m @ 2.05g/t Au*eq* (1.82g/t Au and 11.75g/t Ag) from 15m to 61m depth**
  - **19m @ 2.89g/t Au*eq* (2.59g/t Au and 16.59g/t Ag) from 36m to 55m depth**
- Breccia Pipe 10 thought to be magmatic hydrothermal breccia body and associated with a proximal mineralised porphyry
- Breccia Pipe 8, with similar gold, silver values of 2.06g/t Au*eq* from surface to 100m (previously reported) subject of upcoming drill testing
- Breccia Pipe 11 (adjacent to Breccia Pipe 10) to be drill tested as part of possible larger breccia body

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Previous first-pass core sampling of parts of diamond drill hole CH12 identified significant gold mineralisation from the surface to a depth of 200m in a hydrothermal breccia, referred to as Breccia Pipe 10. The results of this sampling were released in a previous ASX announcement (14 September 2012).

The Company has subsequently undertaken follow-up sampling *of the same interval of CH12*. The results confirm the continuous nature of both gold and silver mineralisation at Breccia Pipe 10. The average grade over the entire 200m interval from surface is ***0.71g/t gold and 5.34g/t Ag (0.81g/t Aueq)***, which includes: ***101m @ 1.18g/t Au and 7.27g/t Ag*** between 15m and 116m depth (1.32g/t Aueq), **46m @ 1.82g/t Au and 11.75g/t Ag** between 15m and 61m depth (2.05g/t Au*eq*) and ***19m @ 2.59g/t Au and 16.59g/t Ag*** between 36m and 55m depth (2.89g/t Au*eq*) (Appendix 1: Tables 1 and 2).

The grade and length of mineralisation at Breccia Pipe 10 is reminiscent of that occurring at Breccia Pipe 8, located approximately 400m to the northwest of Breccia Pipe 10. Individual assay results also indicate higher grade zones within the broader envelope of mineralisation at Breccia Pipe 10. Headline assay results are listed immediately below.

- 1m @ 3.13g/t Au at 36m
- 1m @ 6.59g/t Au and 48.9g/t Ag at 40m (7.45g/t Au*eq*)
- 1m @ 4.68g/t Au and 41.6g/t Ag at 44m (5.41 g/t Au*eq*)
- 1m @ 4.05g/t Au and 21.3g/t Ag at 46m (4.43 g/t Au*eq*)
- 1m @ 12.95g/t Au, 41.4g/t Ag and 0.45% Cu at 54m (14.33 g/t Au*eq*)

- 1m @ 3.27g/t Au, 30.9g/t Ag and 0.55% Cu at 93m (4.61 g/t Au*eq*)
- 1m @ 4.3g/t Au and 18.6g/t Ag at 108m (4.63 g/t Au*eq*)
- 1m @ 4.03g/t Au at 109m
- 1m @ 2.49g/t Au, 38.3g/t Ag and 0.56% Cu at 116m (3.98 g/t Au*eq*)

Hydrothermal breccia bodies at Chanape

There are a total of 50 breccia bodies at Chanape including breccia pipes and breccia veins. Only one has been adequately drill tested (Breccia Pipe 8). Breccia Pipe 10 is only partially drilled. Sampling from both breccia pipes now confirms that these have very significant gold mineralisation from surface to depths of up to 200m.

- Breccia Pipe 8 has on average 2.06g/t Au*eq* to a depth of 100m from surface
- Breccia Pipe 10 has on average 1.3g/t Au*eq* to a depth of 116m from surface

Mineralisation hosted by these breccias is associated with sulphide-bearing veins, stockwork and matrix material. The breccias display pervasive propylitic alteration, with zones of potassic alteration at depth. The sulphide species include pyrite, chalcopyrite, enargite and bornite.

These breccias are the mineralised *chimneys* of the porphyry *furnace* that lies below. As well as these breccias providing a mineralised conduit to the porphyry below, they are proving to contain significant levels of mineralisation in their own right. In this context, it is interesting to note that the vast majority of breccias on the property have not been tested (either by rock-chip sampling or drilling) – an observation germane to potential near-surface mineralisation and size of the porphyry below.

The 50 breccia bodies at Chanape occur as a large cluster covering an area of approximately 6km^2. The breccia cluster closely coincides with a pronounced Spontaneous Potential ("SP") anomaly (Figure 1). SP is an IP geophysical tool that identifies, *inter alia*, sulphides in a water table ("car battery effect"). At Chanape the SP anomaly is associated with the phyllic alteration zone (pyrite, sericite, quartz) that typically occurs above a porphyry system. This is consistent with the notion that the hydrothermal breccia bodies occur above the mineralising porphyry.

Update on drilling program at Chanape

The drilling program, scheduled to commence at Chanape in November, was delayed due to recent changes in the requirements for Government approvals for drilling. An approved *Declaración de Impacto Ambiental* ("DIA") [an environmental impact study] and Exploration Permit, similar to a Program of Works (POW) in Australia, are required before drilling can begin. It is part of new regulatory framework in Peru that formalises the bipartite (community and Government) environmental approval process of *ground disturbing* exploration (drilling and mining activities). The Company's DIA has been approved and the granting of the Exploration Permit is well advanced, with the current expectation that drilling will be able to commence in mid-December.

The Company fully endorses the new environmental measures set in place by the Government of Peru. A DIA essentially guarantees prescribed exploration programs going ahead as it is a publically attested agreement between the exploration company and the community. Although the new permitting system has caused delays to our current drilling program, the new legislation will greatly benefit exploration activities the Company is planning in the future.

The aim of the Company's drilling program at Chanape is to understand the relationship between the mineralised hydrothermal breccia pipes and the underlying mineralising porphyry stock. Deep holes have been designed to penetrate into the porphyry at Breccia 8 and Breccia 11. Standardised samples will be taken every metre from surface to end-of-hole to better understand the extent of mineralisation. Inca's Managing Director Ross Brown and Geologist, Mr Trent Potts are currently in Peru and have recently visited the drill sites.

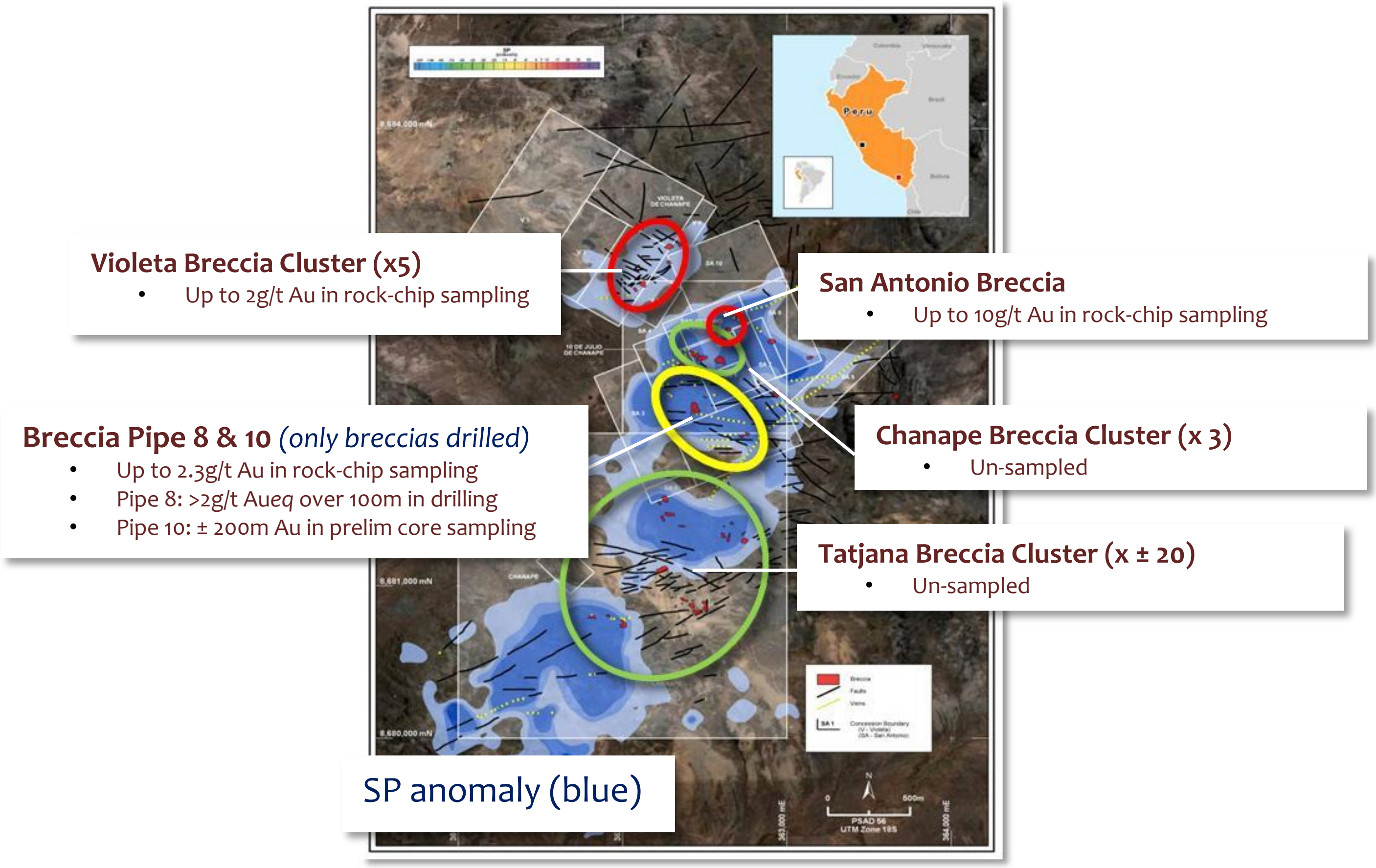

Figure 1: Integrated SP anomaly image and with breccia locations.

Potential and significance of other breccias

Of the 50 breccia bodies occurring at Chanape only one has been adequately drilled (Breccia Pipe 8) and only 18 have been rock-chip sampled. Of the 18, six have gold values the same or higher than Breccia Pipe 8, which was drilled. The Violeta and San Antonia breccia clusters (Figure 1 - red circle), which host mineralisation up to 10g/t and 100g/t Ag, occur within the SP anomaly. The Chanape and Tatjana breccia clusters (green circle), which are un-sampled, also occur within the SP anomaly.

Four breccia pipes outside the property and outside the SP anomaly are either barren or are low in gold and silver. They are interpreted as occurring distal to the porphyry system.

There remain 32 un-sampled breccia pipes in or near the SP anomaly and a large area in the southern part of the project is largely unexplored, potentially hosting additional breccia pipes.

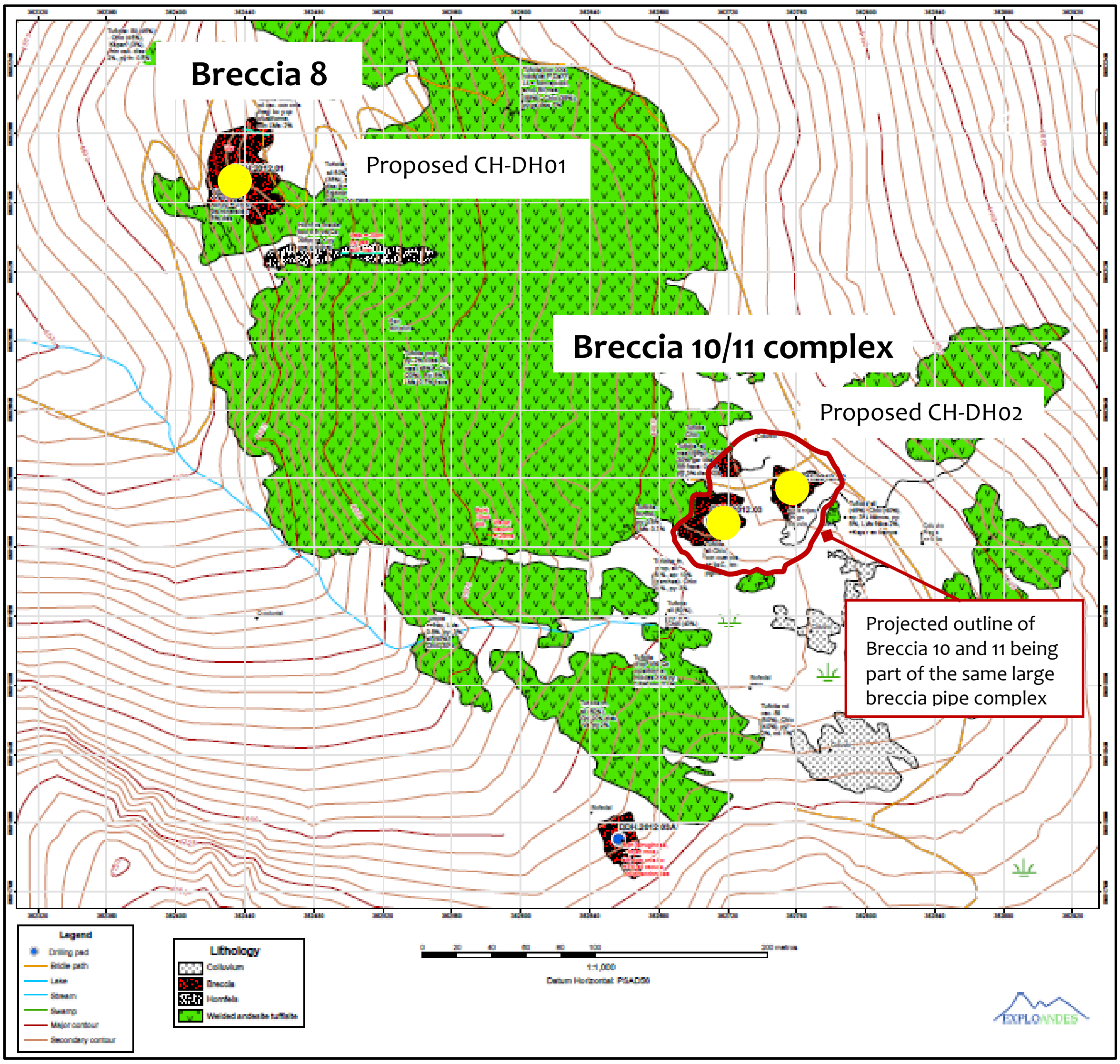

Figure 2: Map showing location of Breccia Pipe 8 and Pipe 10/11 Complex with proposed drill holes

Chanape Project Background

The Company's Chanape Au-Ag-Cu Porphyry Project is located approximately 90kms east of Lima, in the Pierina-Yanacocha Epithermal Gold Porphyry Belt (which contains 75Moz of known gold reserves). Chinalco's Toromocho 1.5Bt Cu-Ag-Mo porphyry mine development, scheduled for production in 2013, is located 30km to the northeast of Chanape.

Chanape is considered highly prospective for Andean Au-Ag-Cu porphyry-style mineralisation as results from all previous exploration, including the results and interpretations of Inca's recent exploration are consistent with characteristics of a porphyry system.

The co-existence of a large 3km x 2km breccia zone [comprising hydrothermally altered breccia pipes and veins, two of which (Breccia 8 and 10) are pervasively mineralised in gold, silver and copper to depth] with multi-tool physical anomalism and widespread porphyry style alteration, makes the notion of the mineralised porphyry being present increasingly likely.

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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$1,740/oz; silver: US$34/oz; copper US$3.60/lb, lead US$0.95/lb and zinc US$0.88/lb.

Appendix 1: Assay Results of drill hole CH12

Table 1: Assay results from recent core sampling of CH12 (0m to 100m)

ALS Sample Number	Interval		Au	Ag	Cu	ALS Sample Number	Interval		Au	Ag	Cu
	From	To					From	To			
K181351	0	1	0.073	2.7	70	K181401	50	51	**1.095**	6.3	163
K181352	1	2	0.02	1.9	84	K181402	51	52	0.595	2.1	83
K181353	2	3	0.012	1.7	117	K181403	52	53	**3.15**	5.4	71
K181354	3	4	0.013	1.4	49	K181404	53	54	0.84	3.3	169
K181355	4	5	0.031	1.1	7	K181405	54	55	**12.95**	**41.4**	4590
K181356	5	6	0.044	1.5	16	K181406	55	56	0.771	1.5	31
K181357	6	7	0.426	6.5	244	K181407	56	57	0.142	1.8	61
K181358	7	8	0.581	3.7	114	K181408	57	58	0.662	2.5	45
K181359	8	9	0.453	4	180	K181409	58	59	0.405	1.3	46
K181360	9	10	0.44	4	666	K181410	59	60	0.833	4	173
K181361	10	11	0.272	3.3	211	K181411	60	61	**2.44**	6.8	265
K181362	11	12	0.587	6	607	K181412	61	62	**2.26**	5.8	161
K181363	12	13	0.14	1.4	47	K181413	62	63	0.412	0.6	37
K181364	13	14	0.157	2.4	58	K181414	63	64	0.231	0.5	23
K181365	14	15	0.627	5.7	711	K181415	64	65	0.301	1.6	61
K181366	15	16	**1.33**	**15.8**	1210	K181416	65	66	0.304	0.5	50
K181367	16	17	0.396	6	191	K181417	66	67	0.55	2.3	49
K181368	17	18	**2.64**	**37.5**	2870	K181418	67	68	0.129	1.1	37
K181369	18	19	**2.71**	7	733	K181419	68	69	0.233	1.9	34
K181370	19	20	**1.44**	**12.6**	1350	K181420	69	70	0.258	5.2	67
K181371	20	21	0.653	2.6	179	K181421	70	71	0.134	1	81
K181372	21	22	**1.845**	8.7	400	K181422	71	72	0.138	1.2	17
K181373	22	23	0.296	2.5	269	K181423	72	73	0.143	1.6	33
K181374	23	24	**1.41**	**15.8**	705	K181424	73	74	0.193	0.9	23
K181375	24	25	**2.81**	**21.4**	1600	K181425	74	75	0.243	0.6	22
K181376	25	26	0.172	3	219	K181426	75	76	0.217	0.7	26
K181377	26	27	**2.11**	**23.3**	3130	K181427	76	77	0.141	0.5	14
K181378	27	28	0.683	6.2	295	K181428	77	78	0.534	1.4	69
K181379	28	29	**2.97**	**14.4**	1120	K181429	78	79	0.227	0.9	22
K181380	29	30	**1.935**	5	316	K181430	79	80	0.285	0.6	23
K181381	30	31	0.091	0.8	16	K181431	80	81	0.267	2.2	44
K181382	31	32	**1.95**	**12.1**	663	K181432	81	82	0.129	0.5	7
K181383	32	33	**1.605**	7.8	431	K181433	82	83	0.142	0.5	9
K181384	33	34	0.504	2.8	194	K181434	83	84	0.185	0.5	9
K181385	34	35	0.736	3.7	186	K181435	84	85	0.118	0.5	10
K181386	35	36	0.476	4.4	304	K181436	85	86	0.122	0.5	10
K181387	36	37	**3.13**	**42**	2310	K181437	86	87	0.136	0.5	14
K181388	37	38	**2.07**	**11.2**	558	K181438	87	88	0.113	0.5	16
K181389	38	39	0.466	3.1	133	K181439	88	89	0.158	0.5	7
K181390	39	40	**2.19**	**13.4**	1070	K181440	89	90	0.109	0.5	20
K181391	40	41	**6.59**	**48.9**	2550	K181441	90	91	0.123	0.5	24
K181392	41	42	**2.65**	**29.5**	2620	K181442	91	92	0.08	0.5	6
K181393	42	43	0.447	3.7	389	K181443	92	93	0.047	0.5	4
K181394	43	44	0.825	5.7	370	K181444	93	94	**3.27**	**30.9**	**5550**
K181395	44	45	**4.68**	**41.6**	2740	K181445	94	95	**2.41**	9.9	831
K181396	45	46	0.327	1.7	120	K181446	95	96	0.552	5.6	540
K181397	46	47	**4.05**	**21.3**	1090	K181447	96	97	0.671	**11.2**	596
K181398	47	48	0.503	4.8	139	K181448	97	98	0.492	2.1	323
K181399	48	49	0.578	2.2	140	K181449	98	99	0.743	2.7	419
K181400	49	50	**2.17**	**27.6**	2360	K181450	99	100	0.653	3.1	324

Table 2: Assay results from recent core sampling CH12 (101-200m)

ALS Sample Number	Interval From	Interval To	Au	Ag	Cu
K181451	100	101	0.683	1.5	315
K181452	101	102	0.399	1.1	221
K181453	102	103	0.378	1.6	238
K181454	103	104	0.264	0.7	89
K181455	104	105	**1.08**	2.6	247
K181456	105	106	**1.08**	1.9	361
K181457	106	107	0.566	2.7	433
K181458	107	108	**2.63**	6.4	778
K181459	108	109	**4.3**	**18.6**	1520
K181460	109	110	**4.03**	8.9	247
K181461	110	111	0.297	1.1	175
K181462	111	112	0.234	1.2	188
K181463	112	113	0.424	1.1	476
K181464	113	114	0.596	2.4	506
K181465	114	115	0.126	0.6	79
K181466	115	116	0.254	1.9	98
K181467	116	117	**2.49**	**38.3**	5650
K181468	117	118	0.211	2.4	198
K181469	118	119	0.783	2.7	327
K181470	119	120	0.195	1.4	143
K181471	120	121	0.643	1.1	151
K181472	121	122	0.086	1.1	232
K181473	122	123	0.135	1	143
K181474	123	124	0.247	1.4	325
K181475	124	125	0.781	2	85
K181476	125	126	0.217	3	262
K181477	126	127	0.252	5	185
K181478	127	128	0.171	1.3	177
K181479	128	129	0.336	2.4	76
K181480	129	130	0.139	2.1	65
K181481	130	131	0.133	2.8	84
K181482	131	132	0.173	4.5	144
K181483	132	133	0.117	0.8	114
K181484	133	134	0.341	3.1	195
K181485	134	135	0.175	0.8	32
K181486	135	136	0.065	0.5	37
K181487	136	137	0.176	1.5	77
K181488	137	138	0.075	0.5	28
K181489	138	139	0.119	1	27
K181490	139	140	0.206	2.1	247
K181491	140	141	0.089	1	42
K181492	141	142	0.092	0.5	27
K181493	142	143	0.196	2.1	179
K181494	143	144	0.433	4.2	226
K181495	144	145	0.089	0.7	48
K181496	145	146	0.074	0.5	80
K181497	146	147	0.588	**10.6**	668
K181498	147	148	0.144	0.5	81
K181499	148	149	0.222	0.5	34
K181500	149	150	0.195	1.2	137

ALS Sample Number	Interval From	Interval To	Au	Ag	Cu
K181501	150	151	0.338	5.1	139
K181502	151	152	0.956	8.7	126
K181503	152	153	0.538	2.3	394
K181504	153	154	0.328	3.2	345
K181505	154	155	0.301	1.6	75
K181506	155	156	0.13	1	78
K181507	156	157	0.124	0.8	26
K181508	157	158	0.096	0.5	64
K181509	158	159	0.831	**30.9**	124
K181510	159	160	0.149	2	143
K181511	160	161	0.071	1.2	110
K181512	161	162	0.063	**43.8**	243
K181513	162	163	0.084	9.4	146
K181514	163	164	0.399	5.4	155
K181515	164	165	0.25	3.7	293
K181516	165	166	0.089	3.6	148
K181517	166	167	0.121	0.7	81
K181518	167	168	0.039	1	115
K181519	168	169	0.053	1.2	85
K181520	169	170	0.055	0.9	46
K181521	170	171	0.054	1.4	44
K181522	171	172	0.154	2.1	116
K181523	172	173	0.049	0.6	23
K181524	173	174	0.029	0.9	60
K181525	174	175	0.086	0.7	53
K181526	175	176	0.059	1.4	76
K181527	176	177	0.061	0.9	166
K181528	177	178	0.17	6.9	74
K181529	178	179	0.124	0.5	158
K181530	179	180	0.049	0.7	70
K181531	180	181	0.062	2.5	110
K181532	181	182	0.077	2.2	123
K181533	182	183	0.054	0.8	122
K181534	183	184	0.389	9.1	540
K181535	184	185	0.072	0.6	56
K181536	185	186	0.12	1.6	148
K181537	186	187	0.073	4.1	64
K181538	187	188	0.051	1.4	66
K181539	188	189	0.074	1.9	124
K181540	189	190	0.049	1.4	94
K181541	190	191	0.132	7.4	159
K181542	191	192	0.062	1.6	47
K181543	192	193	0.199	0.9	52
K181544	193	194	0.139	0.5	54
K181545	194	195	0.519	**10.5**	74
K181546	195	196	0.093	0.5	46
K181547	196	197	0.213	0.5	89
K181548	197	198	0.661	0.5	64
K181549	198	199	0.091	0.5	159
K181550	199	200	0.049	0.5	66

Table 3: Highlight of assay results previously announced of the 0m to 200m section of CH12

From (m)	To (m)	Length (m)	Au g/t	Ag g/t	Cu %	Pb% & Zn%	Au Eq* g/t
17.1	20.3	3.2	1.3	5.66	0.04	0.79	1.49
21.9	24.4	2.5	0.92	5.31	0.04	0.24	1.16
25.45	27.9	2.45	2.04	14.45	0.1	0.17	2.52
29.7	32.45	2.75	1.52	4.32	0.04	0.11	1.69
33.95	36.95	3	2.73	30.8	0.16	0.1	3.58
39.25	42.3	3.05	2.46	22.7	0.26	0.2	3.35
47.8	51	3.2	1.36	3.67	0.01	0.34	1.58
55.75	58.8	3.05	1.62	5.34	0.02	0.14	1.79
90.4	93.1	2.7	1.78	16.45	0.26	0.07	2.5
107.7	110.35	2.65	4.89	12.75	0.07	0.14	5.28

Table 4: Previous CH12 assay results – gold, silver, copper and combined lead/zinc from 6.4m to 196.2m. QAQC samples 1048 and 1060 not included in the listed samples.

Sample Number	From	To	Length	Au g/t	Ag g/t	Cu %	Pb & Zn %	Au *eq* g/t
1039	6.40	8.50	2.10	0.38	3.01	0.01	0.03	0.46
1040	8.50	10.70	2.20	0.42	6.55	0.06	0.04	0.64
1041	10.70	12.30	1.60	0.38	2.86	0.04	0.03	0.49
1042	**17.10**	**20.30**	**3.20**	**1.30**	**5.66**	**0.04**	**0.79**	**1.49**
1043	**21.90**	**24.40**	**2.50**	**0.92**	**5.31**	**0.04**	**0.24**	**1.16**
1044	**25.45**	**27.90**	**2.45**	**2.04**	**14.45**	**0.10**	**0.17**	**2.52**
1045	**29.70**	**32.45**	**2.75**	**1.52**	**4.32**	**0.04**	**0.11**	**1.69**
1046	**33.95**	**36.95**	**3.00**	**2.73**	**30.8**	**0.16**	**0.10**	**3.58**
1047	**39.25**	**42.30**	**3.05**	**2.46**	**22.7**	**0.26**	**0.20**	**3.35**
1049	**47.80**	**51.00**	**3.20**	**1.36**	**3.67**	**0.01**	**0.34**	**1.58**
1050	**55.75**	**58.80**	**3.05**	**1.62**	**5.34**	**0.02**	**0.14**	**1.79**
1051	67.55	70.25	2.70	0.17	1.29	0.00	0.06	0.17
1052	71.65	75.60	3.95	0.25	0.49	0.00	0.05	0.28
1053	80.50	83.75	3.25	0.15	0.54	0.00	0.02	0.17
1054	**90.40**	**93.10**	**2.70**	**1.78**	**16.45**	**0.26**	**0.07**	**2.50**
1055	93.10	95.55	2.45	0.54	4.58	0.05	0.02	0.71
1056	**107.70**	**110.35**	**2.65**	**4.89**	**12.75**	**0.07**	**0.14**	**5.28**
1057	128.50	131.40	2.90	0.13	2.68	0.01	0.03	0.20
1058	144.90	147.85	2.95	0.44	13.55	0.05	0.10	0.81
1059	148.70	151.90	3.20	0.63	7.58	0.02	0.16	0.87
1061	157.60	160.70	3.10	0.24	7.96	0.01	0.27	0.51
1062	176.75	179.90	3.15	0.06	3.26	0.01	0.03	0.14
1063	192.75	196.20	3.45	0.65	0.80	0.01	0.03	0.70