14 February 2013

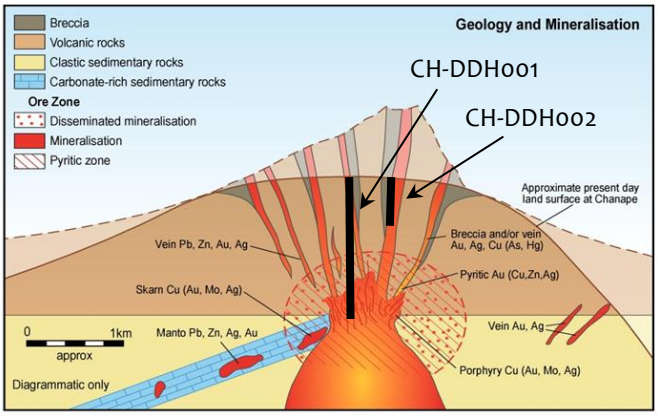
Latest Update from Chanape

The Company is pleased to confirm that the complete set of drill core samples from the CH-DDH001 and CH-DDH002 has been submitted to the laboratory for geochemical analysis. Assay results are not expected to be announced before the last week of February 2013.

The Company is also pleased to now release the core box photos of the bottom 100m interval of CH-DDH001 and the box photos of CH-DDH002, recently received from Lima.

The photos show that the monzonite porphyry is highly altered and brecciated. The photo mosaic below provides an even-spaced selection of the bottom of CH-DDH001 including the EOH core box.

Figure 1): Core box photos of CH-DDH001: a) 498m to 503m; b) 513m to 518m; c) 528m to 533m; d) 542m to 547m; e) 556m to 561m; f) 566m to 571m; g) 580m to 585m; h) 599.5m to 600m (EOH). The geology is described as being a brecciated/stock-worked sulphide-bearing monzonite porphyry, with geologists recognising pyrite, chalcopyrite [a copper sulphide mineral] and arsenopyrite.



A schematic model of a porphyry deposit showing i) the breccia pipes rising from the porphyry, ii) the underlying porphyry and iii) the various zones of mineralisation including the mineralised breccia pipes and the disseminated porphyry zone. The monzonite porphyry intersected in CH-DDH001 is highly brecciated (Figure 1) as would be expected according to this model.

The core box photos of the bottom half of CH-DDH002 have also now been received. The hydrothermal breccia is ubiquitously altered and contains sulphides including pyrite, chalcopyrite and arsenopyrite. Hydrothermal Breccia Pipe 11 is adjacent to Hydrothermal Breccia Pipe 10, which is believed part of the same breccia pipe at depth.

The photo mosaic below provides an even-spaced selection of the bottom of CH-DDH002 including the EOH core box.

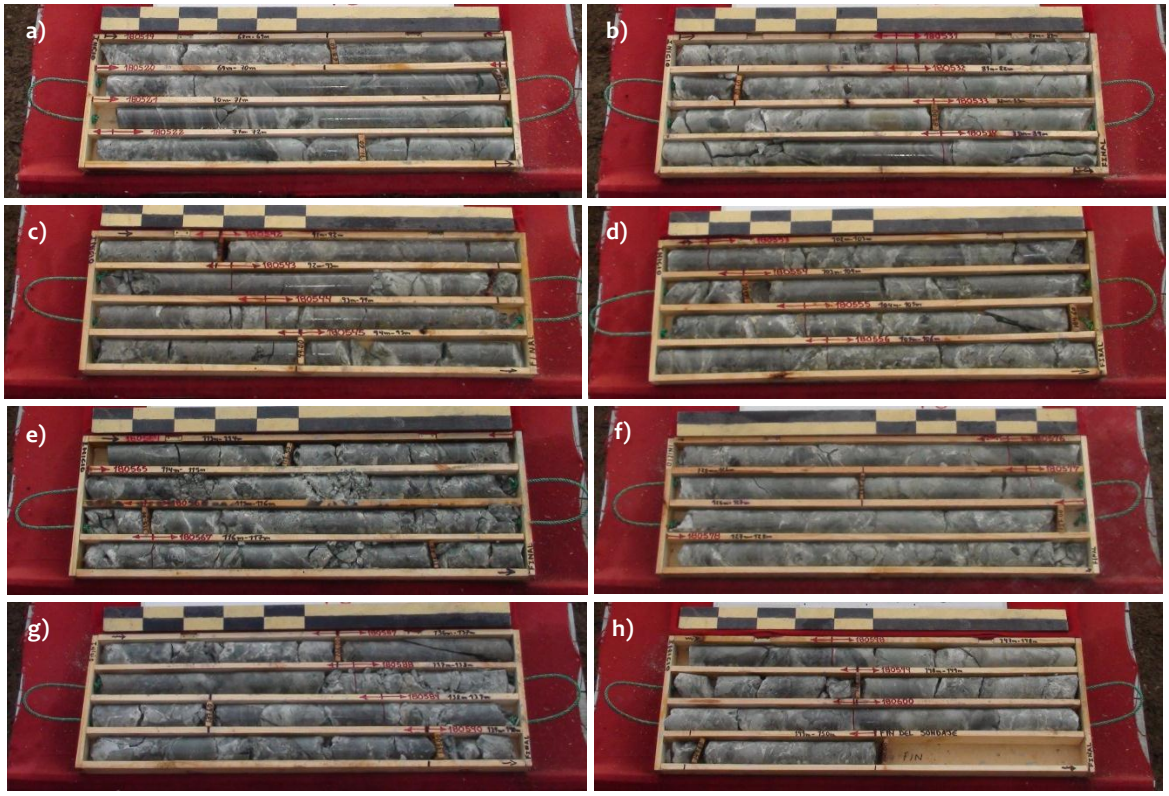


Figure 2: Core box photos of CH-DDH002: a) 68m to 72m; b) 80m to 84m; c) 91m to 95m; d) 102m to 106m; e) 113m to 117m; f) 124m to 128m; g) 136m to 140m; and h) 147m to 150m (EOH). The geology is described as being a hydrothermal breccia, logged from the surface to 150m.

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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 "Australasian 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.