10 January 2014

Porphyry Hole Assays and Resumption of Drilling at Chanape

CH-DDH008 assay results

As announced to the market (13 December 2013) Inca Minerals Limited ("Inca" or the "Company") completed drill hole CH-DDH008 in December 2013 - the first deep hole of its current drilling program. CH-DDH008 intersected intensely altered and vein-effected porphyry bodies and related hydrothermal breccias over an interval of 232.9m - between down-hole depths of 496m and 728.9m (EOH).

The levels of gold, silver, copper and molybdenum returned in assay results for CH-DDH008 are entirely consistent with a porphyry margin (Figure 1). As an angled hole designed to intersect porphyry at depth, the upper sections of the hole were not expected to be mineralised

Sporadic spot highs of copper (less than 0.1%) occur between 400m and 729m (EOH) (Figure 2). These copper occurrences relate to zones of chalcopyrite-veining. A general increase of copper levels with depth is also evident (Figure 2).

Of importance is the level of molybdenum mineralisation in CH-DDH008. Generally low in the upper sections of the hole, the Mo-levels increase significantly at approximately 660m depth (Figure 2). At this depth the alteration style changes from broadly propylitic and broadly argillic within the monzonite porphyry. Also noteworthy are the absolute values of Mo (generally less than 50ppm within the argillic zone). These levels indicate that CH-DDH008 is outside the "porphyry Mo-halo zone" (unlike CH-DDH001 that has an average of 120ppm Mo over 220m within the porphyry shoulder).

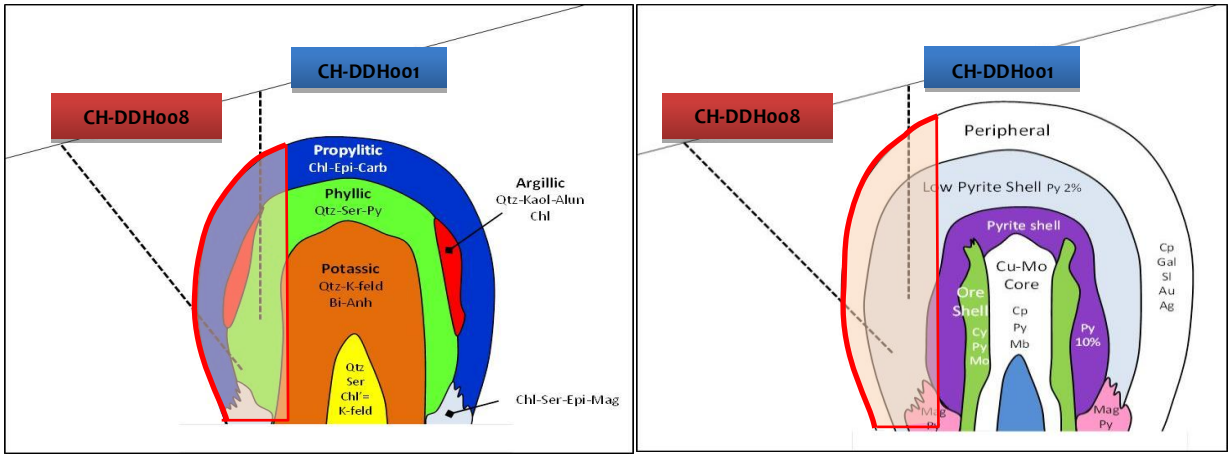

Figure 1: Schematic cross section of Cu Porphyry Model (after Lowell & Guilbert, 1970) showing the relative position of CH-DDH001 and CH-DDH008. The actual shape of the porphyry ore zone changes from deposit to deposit. Py - pyrite, Cp - Chalcopyrite, Gal - Galena, Sl - Sulphide, Au - Gold, Ag - Silver, Cu - copper, Mb – Molybdenite, Mo – Molybdenum, Qtz – Quartz, Kaol – Kaolinite, Alun – Alunite, Chl – Chlorite, Ser – Sericite, Epi – Epidote, Mag – Magnetite, K-feld – Potassium feldspar, Anh – Anhydrite, Bi – Biotite.

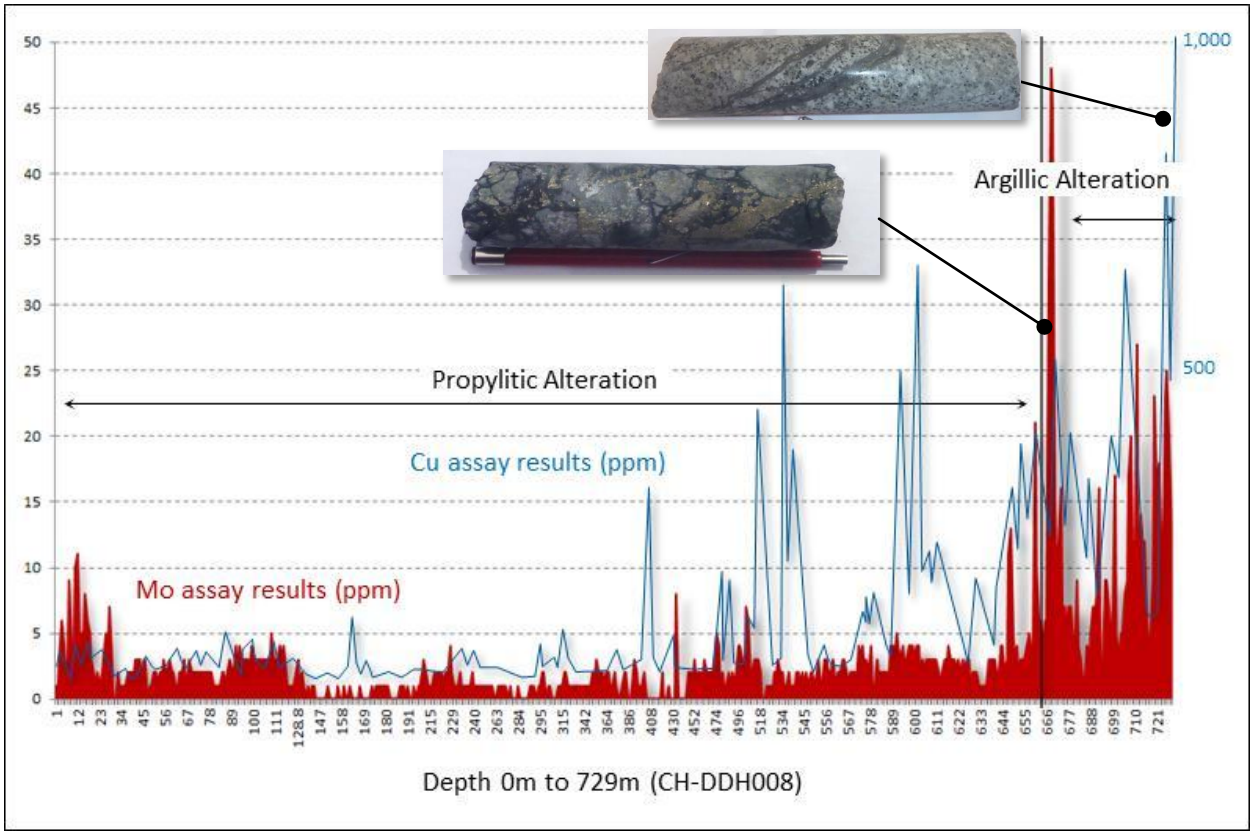

Figure 2: Molybdenum/Copper profile of CH-DDH008. The red profile shows the Mo levels (0-50ppm). The blue profile shows the Cu levels (0-1,000ppm). Mo and Cu levels increase with depth (left to right) and illustrate the proximity of a mineralised Cu-Mo porphyry system.

Drill hole CH-DDH008 is an important hole for Inca. Firstly, the veining style, type of alteration and geochemistry (assay results) demonstrate that CH-DDH008 has intersected porphyry on the margin suggesting that CH-DDH008 is further from the porphyry centre than CH-DDH001 (shown schematically in Figure 1). Secondly, the Company has now discovered mineralised porphyry in both of its two deep holes (CH-DDH001 and CH-DDH008). Finally, geological information and assay results from CH-DDH008 effectively doubles the information the Company has on the porphyry and allows directional or vector analysis for future drilling.

The assay results of CH-DDH008 confirm the view that the mineralised porphyry centre is located east of CH-DDH001 and entirely within the Chanape Project area. Based on the three-dimensional configuration of the porphyry (as represented in the intersections of CH-DDH001 and CH-DDH008) the porphyry appears to "rise" in elevation to the east (as schematically represented in Figure 1).

Another positive consideration is the preliminary size estimations of the mineralised porphyry. Both CH-DDH001 and CH-DDH008 are marginal to the porphyry centre – yet the horizontal distance between the two porphyry intersections is approximately 200m. This provides initial data as to the possible overall size of the porphyry system.

Resumption of current drill program

The Company is pleased to have resumed the current drill program at Chanape. The drill program has benefitted from earlier drill holes (including Ch-DDH008) and has been refined by the increased knowledge about the porphyry system occurring at Chanape. A third deep hole at Chanape is now scheduled to commence in approximately one week's time.

The current program is a continuation of the 2013 program and, in addition to a third deep hole, is designed to drill test multiple epithermal gold and silver targets occurring at Chanape, and to drill test extensions of the mineralised porphyry, now identified in CH-DDH001 and CH-DDH008.

The Company has also commenced preparing for a drill permit to replace the existing drill permit to provide for drilling well into the future. The existing DIA Permit (still valid) has an allowance of 5,000m of drilling. The Company has recently completed the wet-season environmental base line study that is a requirement for a drill permit referred to as a Semi Detailed Environmental Impact Assessment (or "EIAsd"). The EIAsd Permit will provide the Company a drill allowance of >20,000m once granted. This would provide permitting for uninterrupted drilling well into the future.

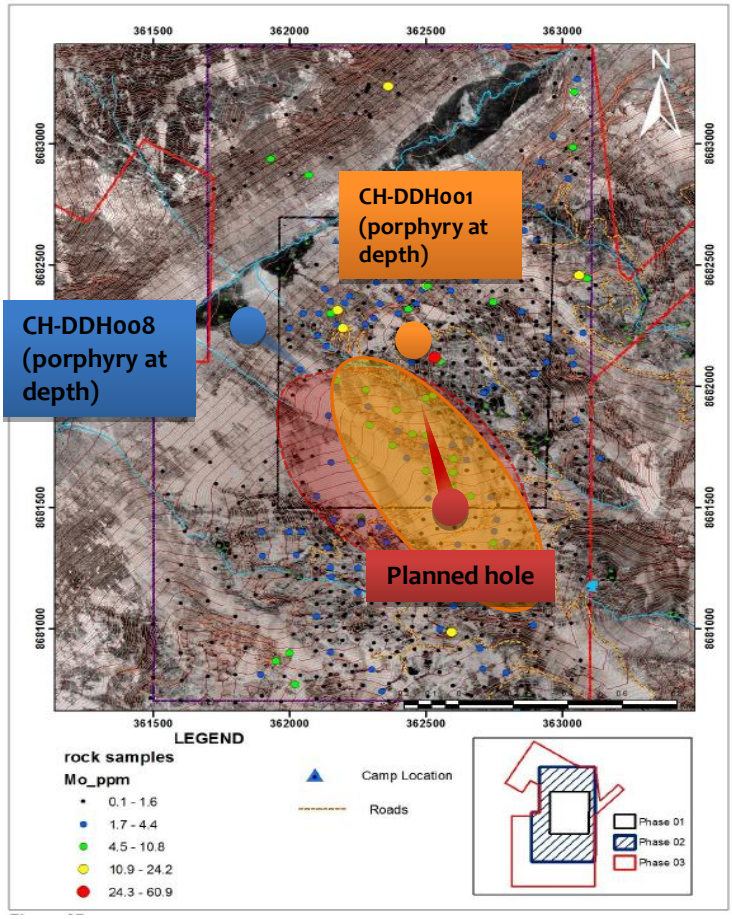

Figure 3: Coincident molybdenum geochemical anomaly (orange shaded area) and large argillic/phyllic alteration anomaly (red shaded area) with CH-DDH001 and CH-DDH008. The third deep hole marked on this diagram is due to begin in approximately one week.

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Competent Person Statements

The information in this report that relates to gold, copper, silver, zinc 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 Australian 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 "Australian 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 gold, copper, silver, zinc 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 Australian 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 "Australian 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.

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 concessions known as San Antonio de Chanape 3 and 10 de Julio De 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.*	A total of 728.9m metres of drilling in a single diamond core hole (CH-DDH008) are the subject of this announcement.
	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-practise procedures.
	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.	Each metre of drill core (of above) was cut (longitudinally) and bagged separately. Samples were sent to Australian Laboratory Services ("ALS") for multi-element analysis: Gold via FA-A finish (with detection limit 0.005ppm), multi-elements: Four Acid Digest ICP-AES (various detection limits). No significant mineralisation was announced.
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 was diamond core. Core diameter was HQ (63.5mm dia) and NQ (47.6mm dia) and BQ (36.5mm). The angled hole was orientated as per industry best-practise procedures.
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 - no significant mineralisation announced.
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	Core logging is both qualitative and

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Logging cont…	*nature. Core (or costean, channel, etc.) photography.*	quantitative. Core photos were taken.
	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 sawn in half. One half was bagged and labelled, the remaining half was 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 subject of this announcement were core.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Core sampling followed industry best practise procedures.
	Quality control procedures adopted for all sub-sampling stages to maximise "representivity" of samples.	The sample preparation followed industry best-practise procedures. The Company's own standards, blanks and nominated duplicates were made part of the laboratories own QAQC procedures.
	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 such that [apparent] mineralisation was equally represented in both values of the core. Sample intervals are FIXED to metre interval (in this case 1m interval) and NOT subject to visible signs of mineralisation.
	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 used in the elemental testing of core for Au was four-acid digest. The four acid digest technique involves hydrofluoric, nitric, perchloric and hydrochloric acids and is considered a "complete" digest for most material types. Non-Au techniques included ICP/OES.
	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 used in the generation of sample results other than those used by ALS 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 were introduced into the sample stream (without notification of ALS). This is an addition to ALS QAQC procedures, which follow industry best practices.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	No significant mineralisation announced.
	The use of twinned holes.	This announcement refers to one drill hole only.
	Documentation of primary data, data entry procedures, date verification, data storage (physical and electronic) protocols.	No significant mineralisation announced.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Verification of sampling and assaying cont…	*Discuss any adjustment to assay data.*	No significant mineralisation announced.
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.*	Drill hole location has been 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 drill hole subject of geological reporting and sampling was logged and sampled every metre (refer to above). Spacing (distance) between data sets with respect to geology and sampling is in line with industry best practices.
	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.	No representations of extensions, extrapolations or otherwise continuity of grade are made in this announcement.
	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.*	The drill hole subject of this announcement was modelled to intersect as perpendicular as possible a geophysical chargeability anomaly and to test for a SW extension of the known porphyry. No significant mineralisation was announced.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	There is no information pertaining to the orientation of the host lithology that is currently available to suggest that the sampling was biased in terms of orientation.
Sample security	*The measures taken to ensure sample security.*	Pre-assay sample security is managed by the Company in line with industry best practices.
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. Name: Two concessions: San Antonio De Chanape 3 and 10 De Julio De Chanape. Ownership: The concessions are registered on INGEMMET (Peruvian Geological Survey) in the name of the Company. The Company has a 5-year mining assignment agreement whereby the Company may earn 100% outright 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 all in good standing.
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	The one drill hole subject of this announcement was carried out by Bramsa MDH – a drilling company that adheres to industry best practises.
Geology	*Deposit type, geological setting and style of mineralisation.*	The geological setting of the area subject to drilling (subsequently reported in this announcement) is that of Mesozoic subduction zone, mountain-building terrain comprising of acidic and intermediate volcanics and intrusives. Porphyry intrusions and associated brecciation have widely affected the volcanic sequence, introducing epithermal, porphyry and possible porphyry-related 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:* • *Easting and northing of the drill hole collar* • *Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar.* • *Dip and azimuth of the hole.* • *Down hole length and interception depth.* • *Hole length.*	Coordinates of CH-DDH008: 8682207mN: 361903mE (PSAD56) RL: 4,397m Dip and azimuth: 55°: 30° respectively. Down hole length of mineralisation: None reported. Hole length: 728.9m.
	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.	Not applicable – the information has been provided (refer above).
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*	Not applicable – no weighting averages nor maximum/minimum truncations were applied.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Data aggregation methods cont…	*stated.*	
	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 weighting averages nor maximum/minimum truncations were applied. No significant mineralisation announced.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable – no equivalents were used.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *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').*	No significant mineralisation announced.
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 vie ws.*	Schematic sections are provided to provide insight as to the reported geological, alteration and veining information in the context of porphyry mineralisation. 2D terrain images with coordinates are provided to locate the one drill hole subject of this announcement.
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.*	The Company believes the ASX announcement provides a balanced report on drill hole CH-DDH008.
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 cross references geological and alteration results of CH-DDH008 with previous exploration results including geophysics, geochemistry and geological mapping.
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.	2D terrain plans and schematic sections were included in this ASX announcement to illustrate the position of drill hole and the relative position of it in relation to a Cu-Mo porphyry model.

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