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Drilling Resumes at Chanape

An exciting phase of drilling has commenced at Chanape with the Company's fourth deep hole (CH-DDH012) targeting an extension of porphyry mineralisation north of the "discovery hole".

Inca Minerals Limited ("Inca" or the "Company") has resumed drilling at its flagship Chanape Cu-Mo-Ag-Au porphyry project in Peru. The drilling program is a continuation of a broader campaign to determine the resource potential at Chanape.

The first hole upon resumption (CH-DDH012) will be the fourth deep hole drilled at Chanape. To date, all deep holes have intersected porphyry style mineralisation and the porphyry system remains open-ended in all directions. Based on preliminary projections of the porphyry intersections in these three drill holes (CH-DDH001, CH-DDH-008 and CH-DDH011) it appears likely that a large Cu-Mo-Ag-Au porphyry/breccia system is centred in a shallower and "upslope" position, north and north east from CH-DDH001/011. As such drill hole CH-DDH012 has been collared in close proximity to CH-DDH001 and will be drilled in a north-easterly direction, towards the centre of SP Anomaly A.

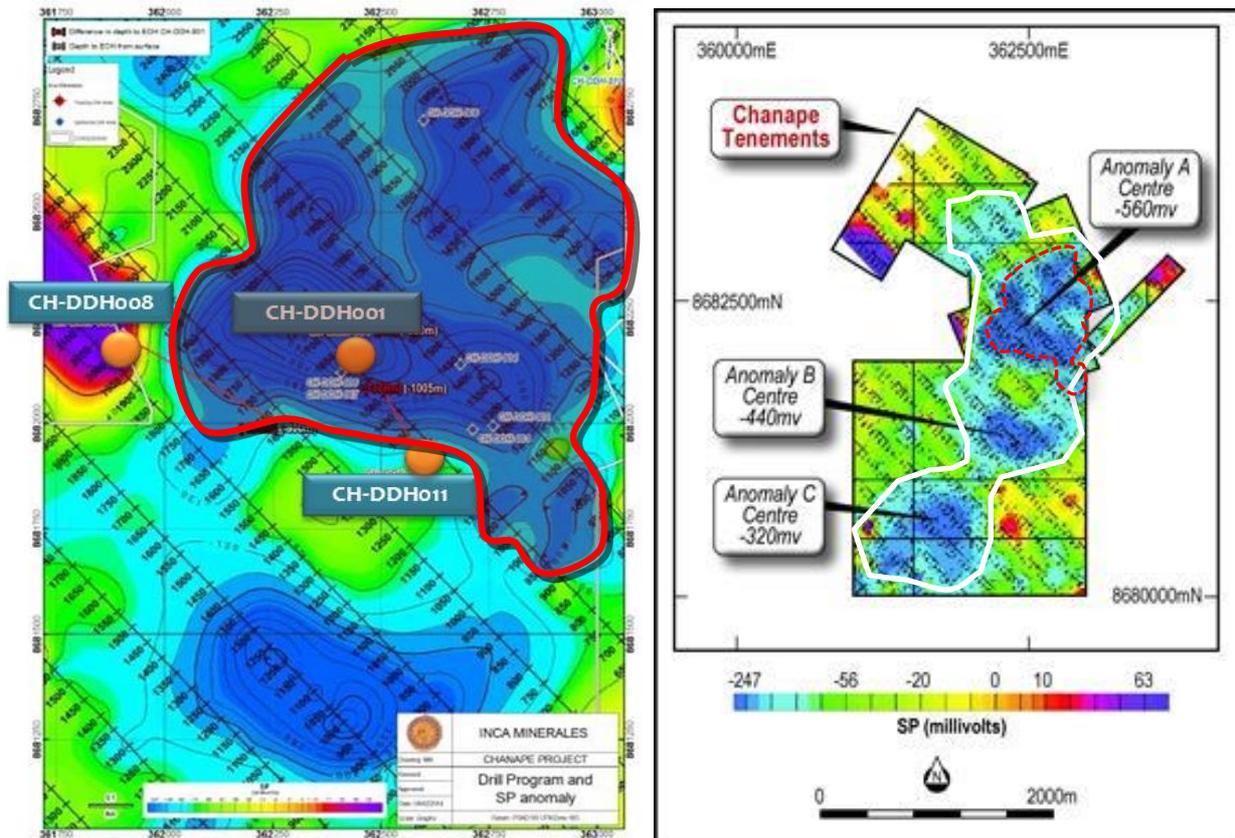


Figure 1a (LEFT): Location of the three existing deep drill holes in relation to SP Anomaly A. The holes closely map the possible southern perimeter of this part of the porphyry system, as defined by the SP anomaly (dark blue). **Figure 1b (RIGHT):** The large SP anomaly (outlined in white line), encapsulating the three SP anomaly centres (dark blue centres), is 2.5km x 1km in area.



The broadened focus area that is the subject of the current porphyry drilling program corresponds to a large 750m x 750m Spontaneous Potential (“SP”) anomaly, which is in turn, part of the larger 2.5km x 1km SP anomaly. By virtue of the fact that there exists a strong spatial association between porphyry mineralisation and SP anomalism, the far greater lateral extent of the encompassing SP anomaly provides some early indication of deposit tonnage potential at Chanape.

Inca’s Managing Director, Ross Brown, who will be in Peru for drilling, said “The clover-leaf SP anomaly (referred to as Anomaly A - featured in Figure 1a, marked in Figure 1b) is, in itself, a sizeable anomaly, easily capable of hosting a large porphyry deposit. With significant +1% copper intersections in the latest hole, CH-DDH011, this porphyry (perhaps one of many that occur at Chanape) has become economically interesting. When SP Anomalies B and C are considered, a far greater area of intense interest is defined – providing the sorts of dimension that is of interest to large mining companies.”

The Company looks forward to releasing results from the drilling as they come to hand.

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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 2004 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.