12 May 2014

Copper mineralisation intersected in CH-DDH012

HIGHLIGHTS

- **CH-DDH012 intersects two hydrothermal breccias at shallow depths both containing highly visible chalcopyrite (a copper (Cu) ore mineral that contains approximately one third Cu)**
- **First breccia intersected between 18.6m and 65.5m** [down-hole interval of 46.9m] **contains up to 7% chalcopyrite** (visual estimate) **and part of a previously known breccia**
- **Newly discovered 2nd breccia intersected between 157.75m and 205.55m** [down-hole interval of 47.95m] **contains up to 6% chalcopyrite (locally up to 25% chalcopyrite-see below)** (visual estimate)

Core at 190.8m: Massive chalcopyrite-pyrite replacement in matrix of breccia

- **Both breccias highly prospective for gold (Au) and silver (Ag) mineralisation – samples already submitted to laboratory**
- **Drilling of CH-DDH012 will continue to target depth**
- **Hydrothermal clay mapping identifies "mineralising" intrusion in CH-DDH011 enabling future resource-build correlations between CH-DDH001, CH-DDH008 and current hole (CH-DDH012)**
- **Hydrothermal clay mapping identifies strong association between porphyry mineralisation and phyllic and tourmaline alteration**
- **Both breccias intersected in CH-DDH012 contain abundant tourmaline**

Core at 188.5m: Chalcopyrite-pyrite-tourmaline matrix of breccia

Core at 203.85m: Massive sulphide-tourmaline

Pervasive Copper Mineralisation in Shallow Depths of CH-DDH012

Inca Minerals Limited ("Inca" or "Company") recently commenced its fourth deep hole (CH-DDH012) at Chanape. It was collared adjacent to CH-DDH001 and is being drilled at an 80° angle in a north-easterly direction. It is designed to test for the occurrence of porphyry mineralisation associated with a large 750m x 750m SP anomaly, centred northeast of CH-DDH001 (Figure 1).

CH-DDH012, in progress and currently drilled to a depth of 232m at time of writing, has intersected two large breccia bodies at shallow depths. Whilst the first and upper breccia was known to occur in the area (Hydrothermal Breccia 8 or "HBx8") its north-eastern contact was relatively untested. The second and lower breccia is newly discovered. Its sulphide content and more specifically its visual chalcopyrite (a Cu ore mineral that contains approximately one third Cu) content are equal to, if not greater than that of HBx8. HBx8 is also known to contain >1g/t Au and >1oz/t Ag.

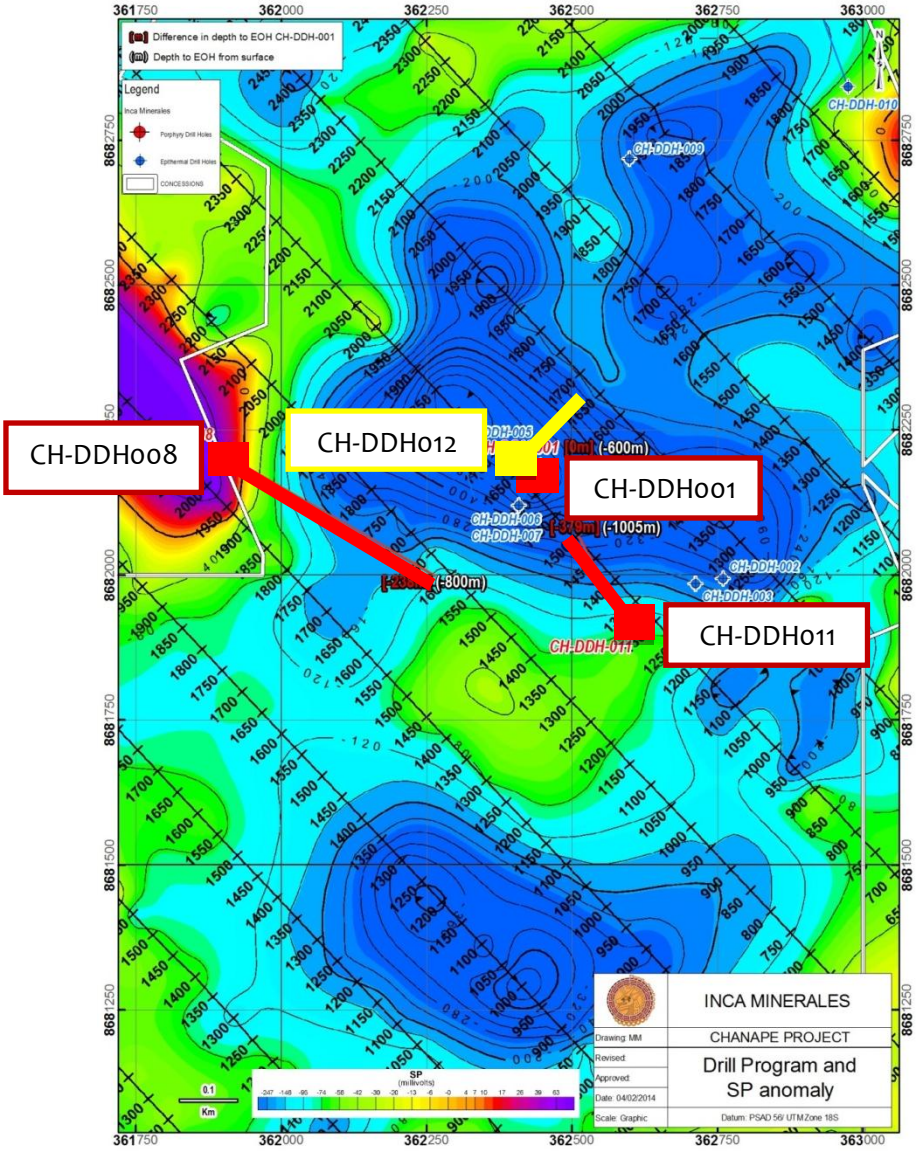

Figure 1: Drill hole location plan of all deep holes, including CH-DDH012 (the current hole), CH-DDH001 (the "discovery hole"), CH-DDH008 and CH-DDH011. The figure shows their relative position to that of a large SP Anomaly (marked in blue).

The upper breccia body intersected in CH-DDH012 occurs between 18.6m and 65.5m and has a down-hole width of 46.9m. The intersection forms the north-eastern extension of HBx8. It is described as a hydrothermal/phreatic breccia, commonly silicified, containing tourmaline and metal sulphides. Inca's Managing Director, Ross Brown, who is currently in Peru, said "... although it was anticipated that we would intersect this feature on the way to the targeted porphyry, the amount of chalcopyrite we are seeing in it is more than anticipated. This may suggest we are nearer to Cu-bearing mineralising fluids this [NE] side of the breccia."

The second breccia is a new discovery and was intersected between 157.75m and 205.2m. It has a down-hole width of 47.45m. It is described as a silicified hydrothermal tourmaline breccia. It contains between 1.5% and 6% chalcopyrite on average with local (restricted) occurrences up to 25% chalcopyrite. Ross Brown indicated "Within the second breccia there is a 10.95m section of silicified volcanic tuff. This tuff hosts numerous small breccia zones and contains equivalent levels of sulphides (and chalcopyrite) as the enclosing breccias."

Hydrothermal Clay Mapping Results of CH-DDH011

Results from the hydrothermal clay mapping study of CH-DDH011 (the previous hole) are now available. A close spatial association between phyllic and tourmaline alteration and porphyry-style Cu-Mo-Ag-Au mineralisation has been recognised (Figure 2). This knowledge assists in recognising surficial and down-hole targets.

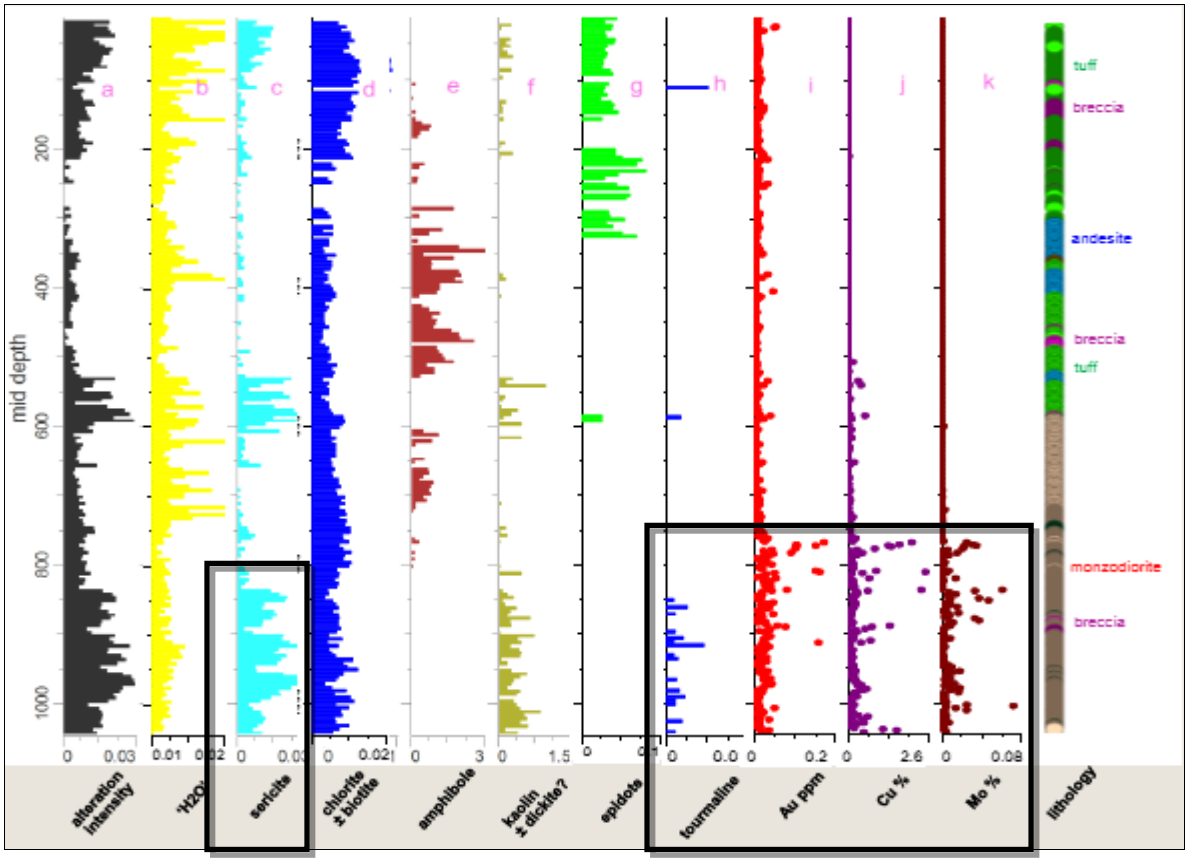

Figure 2: Hydrothermal alteration in comparison with mineralisation. Three distinct zones of alteration are recognised, the deepest corresponding to *logged* monzodiorite hosts porphyry style mineralisation. Refer to Figure 3 for further comment.

Other key interpretations include the recognition of argillic overprinting of prior phyllic and propylitic alteration, and the recognition of two intrusive events (as opposed to one) in CH-DDH011; the first recognised by monzodiorite (occurring between 590m and 830m), the second recognised by quartz monzonite (occurring between 830m and 1047m). Importantly, it is the latter that hosts the majority of mineralisation (Figure 3).

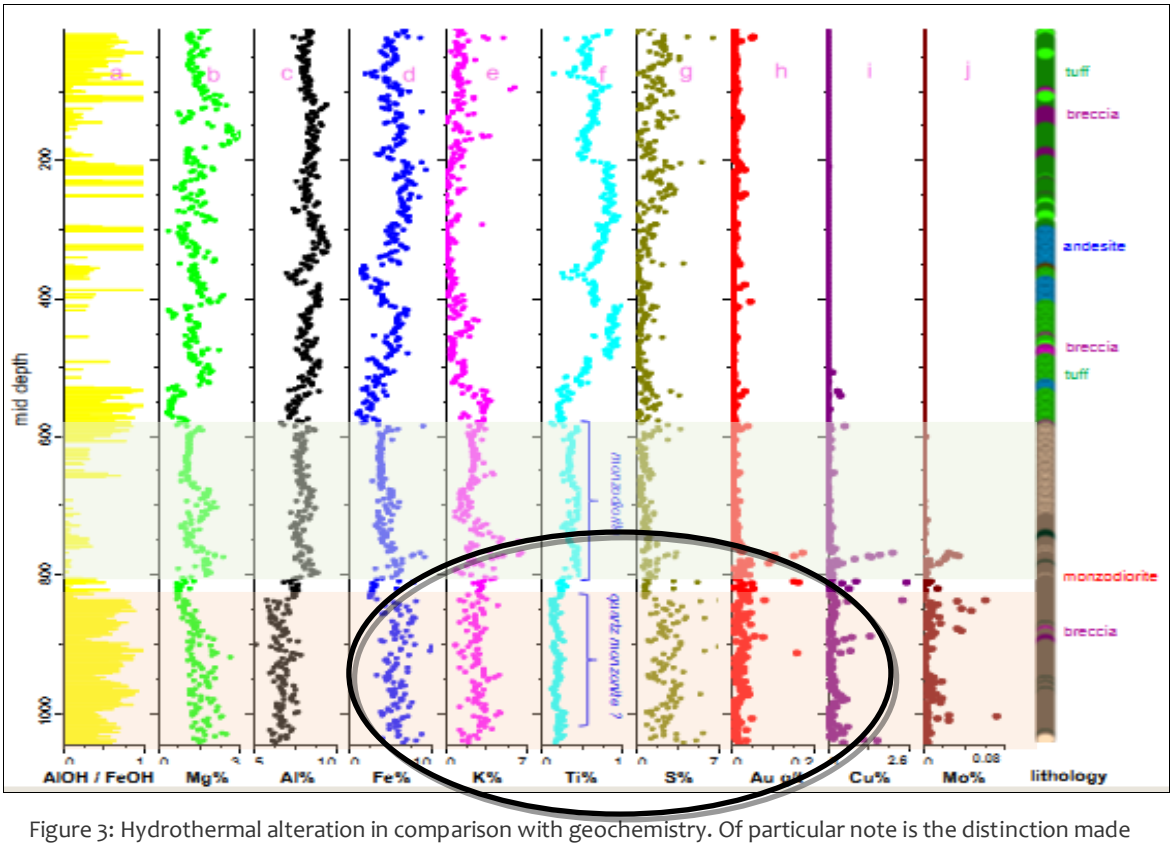

Figure 3: Hydrothermal alteration in comparison with geochemistry. Of particular note is the distinction made between an upper (and earlier) monzodiorite and a lower (later) mineralising quartz-monzonite. It is the latter that is more closely related to the porphyry mineralisation .

The alteration and mineralisation characteristics of CH-DDH011, CH-DDH001 and CH-DDH008 can now be seen in the context of a large-scale, multiple-phase, mineralised porphyry event. The quartz monzonite intersected in the lower sections of both CH-DDH001 and CH-DDH011 is one of possibly several "mineralising" intrusive bodies occurring at Chanape. The monzodiorite intersected in the upper porphyry interval in CH-DDH001 and in CH-DDH008 is one of several [already known] "pre-mineralising" intrusive bodies occurring at Chanape.

The identification of pervasive Cu mineralisation at shallow depths of CH-DDH012 is a seminal event in the development of the Chanape Cu-Mo-Ag-Au porphyry. Visual estimates of chalcopyrite range from 1.5% to 25% (locally) within both breccias. These levels of chalcopyrite may relate to significant Cu intersections in CH-DDH012.

As at the time of writing, the drilling of CH-DDH012 is continuing to its target depth. The Company looks forward to its completion and the reporting of assay results.

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Competent Person Statements

The information in this report that relates to 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 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.

Table 1: Drill Hole Parameters

Hole Number	Coordinates			Height above sea level	Azimuth	Dip	Total Depth
	Easting	Northing	Datum				
CH-DDH012	362445mE	8682184mN	PSAD56	4,638m	45°	80°	232m¥

¥ Approximate depth of hole a time of writing

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 concession known as 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 230 metres of drilling in a single incomplete diamond core hole (CH-DDH012) is the subject of this announcement. No assay results were made part 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/is currently being cut (longitudinally) and bagged separately. Samples have been 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 assay results were made part of this announcement.
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 vs core length measurements were made. No significant measurements were made.
	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 assay results were made part of this announcement.
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.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Logging cont…	*Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*	Core logging is both qualitative and quantitative. Core photos were taken.
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.	*No sub-sampling procedures were undertaken by the Company.*
	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.	*No assay results were made part of this announcement.*
	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 assay results (assisted by geophysical tools, spectrometers, etc…) or otherwise, were made part of this announcement.*
	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.	*No assay results were made part of this announcement.*
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	*No assay results were made part of this announcement.*
	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 assay results were made part of this announcement.*
	Discuss any adjustment to assay data.	*No adjustments were made.*
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 locations have been determined using a hand-held GPS.*
	Specification of the grid system used.	*PSAD56.*

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Location of data points cont...	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 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 a SE extension of the known porphyry. Assay results are currently not available so "perpendicularity" to porphyry-hosted mineralisation cannot be ascertained at this time. There is no dimension to the intersected porphyry (irrespective of possible contained mineralisation) that might provide insight as to the "perpendicularity" of this hole in relation to it.*
	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. Concession Name: 10 De Julio de Chanape. Ownership: The concession is 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 concession.
	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 concession is all in good standing.
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	The 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-DDH012: 362445mE, 8682184mN (PSAD56) RL: 4,638m Dip and azimuth: 80°: 45° respectively. Down hole length of mineralisation: Mineralisation in this instance means sulphide mineralisation (which does not imply grade). Approximate hole depth at time of writing: 232m.
	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).

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
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 stated.*	Not applicable – no weighting averages nor maximum/minimum truncations were applied.
	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.
	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').*	Where ever mineralisation was reported in this announcement, clear reference to it being "down hole" width/thickness was made.
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 views.*	A plan showing the hole location and terrain images with coordinates was provided to locate the 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-DDH012.
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 also makes reference to geological results of CH-DDH001, CH-DDH008 and CH-DDH011. Announcemnts pertaining to CH-DDH001 were made on the 29 January 2013, 06 February 2013 and 27 February 2013. Announcemnts pertaining to CH-DDH008 were made on the 13 December 2013 and 10 January 2014 and an announcement pertaining to CH-DDH011 was made on the 12 March 2014.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
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.	A plan showing the position of the four drill holes referred to in this announcement provides relative positioning of the porphyry intersections, and by virtue of this shows the surface projection of the "open-endedness" of the porphyry.

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