



24 September 2015

Chanape Update

Drilling Programme Update

Inca Minerals Limited's ("Inca" or "Company") sdEIA drilling programme at Chanape is progressing well with a number of targets already tested.

At the time of writing, the Company is awaiting assay results for holes CH-DDH017 through to CH-DDH022. In summary, these holes have targeted the following:

- CH-DDH017: Summit Breccia/chargeability anomaly
- CH-DDH018: Cerro Ver Breccia (shallow)
- CH-DDH019: Summit Breccia (deep)
- CH-DDH020: Oro Doble Breccia (formerly Breccia Pipe 10/11)
- CH-DDH021: Water Tank Breccia (east)
- CH-DDH022: Water Tank Breccia (west)

Whilst assay results for CH-DDH017, 18 and 19 are imminent the remainder are progressing through the sampling and assaying process. A lag time between the physical completion of holes and availability of assay results has arisen as a consequence of quicker than expected drilling rates (the number of metres drilled in a 24 hour day) and slower than expected geotechnical logging.

As a consequence of core from these holes containing significant percentages of sulphide (occurring as disseminations, veins and breccia matrix/clasts material), geotechnical logging has been time consuming but critical in collating reliable data which ultimately leads to a clearer understanding of Chanape's potential. Importantly, this logging has continued to reinforce the Company's view that, as announced 1 September 2015, it has discovered evidence of a second sulphide-bearing, veined porphyry in the near vicinity to the Cerro Ver Breccia.

Chanape Review

Inca has conducted exploration at Chanape since 2012. At the time of this announcement the Company has completed approximately 6,575 metres of drilling. This drilling has been completed within the permitting framework of a 4-month DIA, a 4-month DIA extension and a 2-year sdEIA, the latter being recently granted and valid through to 2017.

During the above period the Company has conducted multifarious programmes including, in approximate chronological order:

- **2011-2012:** Verification core logging and sampling, mapping and sampling, geophysical data acquisition of pre-Inca exploration results, DIA permitting, community programmes.
- **2013:** Continuation of DIA permitting, DIA extension, IP survey and magnetics surveys, grid sampling, 1:5,000 scale mapping, first phase drilling (CH-DDH001 to CH-DDH009), hydrothermal clay mapping, community and environmental programmes within the context of the DIA.



- **2014:** First phase drilling continued (CH-DDH010 to CH-DDH012), sdEIA Permitting, 1:1,000 scale mapping, grid sampling, target generation, community and environmental programmes within the context of the sdEIA.
- **2015:** Continuation of sdEIA permitting; target mapping/sampling, camp establishment, second phase drilling (CH-DDH013 to CH-DDH025 [ongoing]), continuation of community and environmental programmes within the context of the sdEIA.

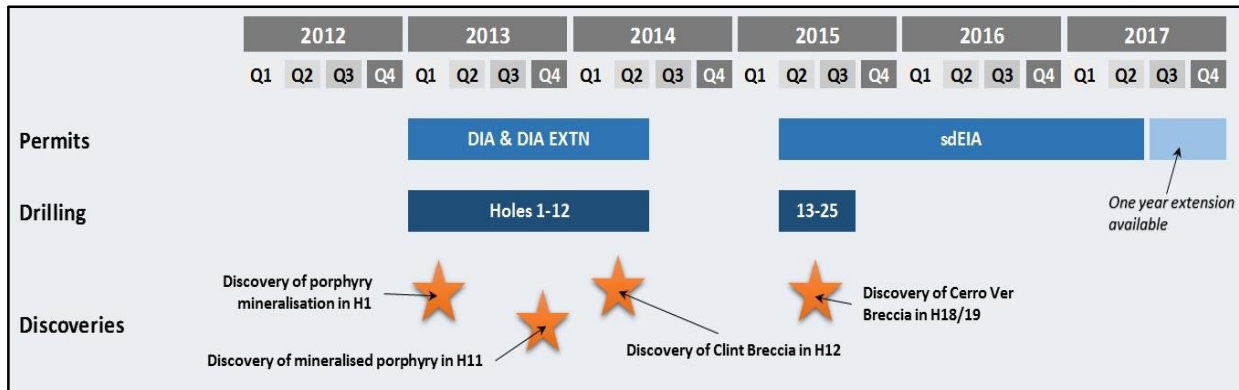


Figure 1: A chronogram of the Company's activities at Chanape, including timing and duration of drill permits, drilling phases and notable discoveries.

Through its exploration efforts Inca has discovered a large porphyry system. It comprises an upper, largely breccia-hosted Au, Ag, Cu, Pb, Zn, W epithermal/mesothermal zone and a lower, quartz-monzonite porphyry-hosted Cu-Mo-Ag porphyry zone. Known mineralisation at Chanape extends over a vertical range of 1.3 kilometres. The porphyry system area, as defined by the SP/Chargeability anomaly, is approximately 2.5km x 1.5km.

In the first phase drilling programme Inca discovered a mineralised porphyry below the Clint/Pipe 8 Breccia. In the first few holes of our second phase drilling programme Inca is again excited by the strong indications of a second porphyry located under Mount Chanape.

Large porphyry systems very typically host several porphyry stocks and have ore bodies comprised of a variety of styles, including but not limited to, low-grade porphyry-hosted style, vein-hosted style, breccia-hosted style, country-rock hosted skarn and manto styles.

The current sdEIA drill programme was designed in the context of the porphyry system discovery at Chanape. The holes have and will test surface gold targets and deeper porphyry targets. Regarding the former, target selection is based on: surface sampling gold results and breccia characteristics. Regarding the latter, target selection is based on combinations of the occurrence of breccias, geophysics, geochemistry and alteration.

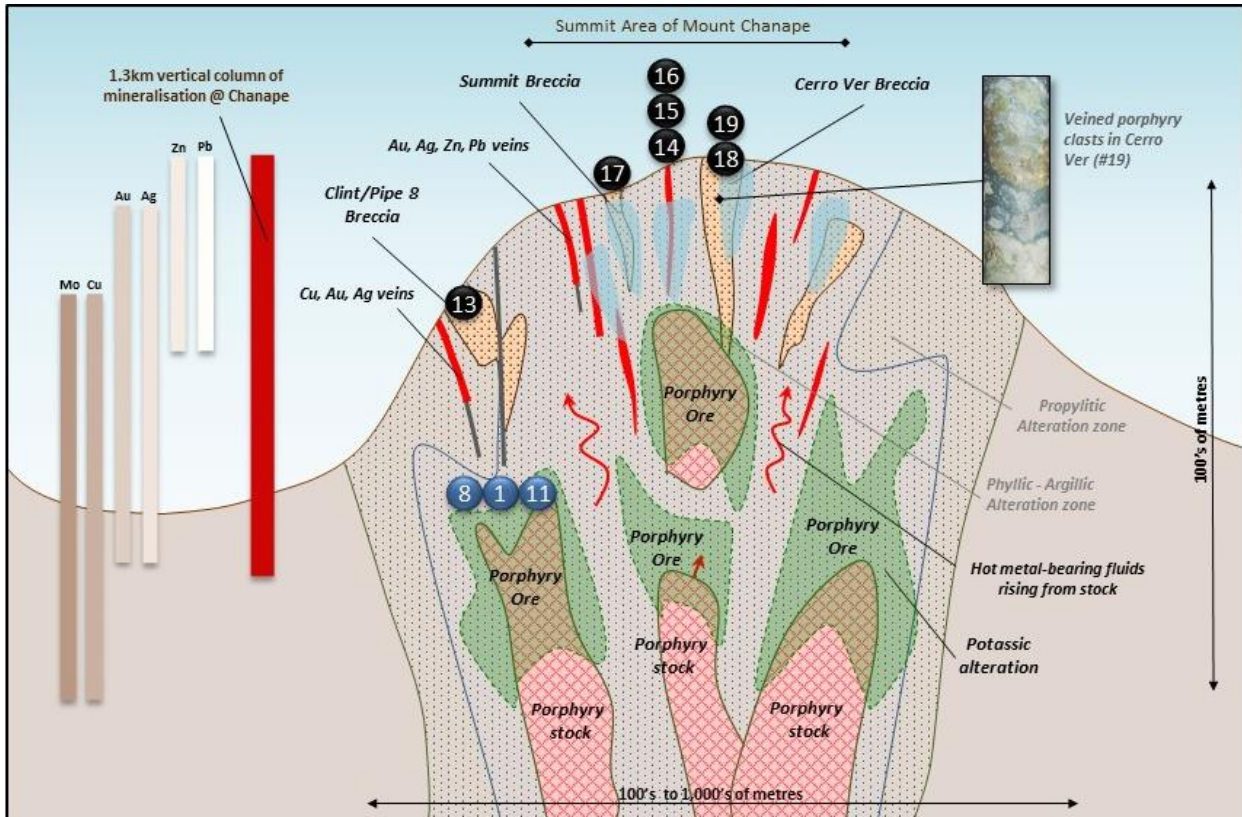


Figure 2: A schematic NW-SE section showing a porphyry model applied to Chanape. A porphyry system typically comprises multiple porphyry stocks (intrusions) and associated ore-bodies. Above the porphyry mineralisation there is typically mesothermal and epithermal mineralisation. These upper levels of the system may be eroded away. This is not the case at Chanape. The recent drill holes and drill targets are added to the model. The Clint/Pipe 8 Breccia, the Summit and Cerro Ver Breccias are also indicated. The pale blue shading indicates known and hypothetical Zn mineralisation as part of characteristic epithermal zone. Past drill holes 1, 8 & 11 are shown to indicate the schematic position of the known porphyry (below Clint/Pipe 8 Breccia). Early observations of CH-DDH018 & 19 are entirely consistent with a second porphyry being present at Mount Chanape.

Current Targets:

- The Oro Doble Breccia (formerly known as the Breccia Pipe Complex 10/11), was previously drilled by the Company and the previous owner. Noteworthy intersections from Inca's previous drilling at Oro Doble include a down-hole **100m @ 1.18g/t Au and 7.27g/t Ag from 6m, including 46m @ 1.82g/t Au and 11.75g/t Ag from 15m**. Oro Doble is approximately 400m SE of the Clint/Pipe 8 Breccia.
- The Water Tank Breccia was discovered by the Company in 2013. Never drilled, the breccia is dumbbell shaped and gold-bearing. The Water Tank Breccia is approximately 300m NW of the Clint/Pipe 8 Breccia.



Next Targets:

- The large chargeability anomaly adjacent to and extending below the Cerro Ver Breccia has risen in importance due to the occurrence of veined and sulphidic porphyry fragments in the Cerro Ver Breccia.

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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 Australasian 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 "Australasian 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 Australasian 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 "Australasian 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.