



HIGHLIGHTS

Discovery of second porphyry (the Summit Porphyry) in CH-DDH027 and CH-DDH033

- **Significant mineralisation in CH-DDH027 includes down hole intervals of:**
 - 78m at 0.15g/t gold (Au) from 38m, including 11m at 8.58g/t silver (Ag) from 38m
 - 13m at 1.36g/t Au from 267m, 7m at 10.12g/t Ag from 268m and 6m at 0.14% copper (Cu) from 269m, within 32m at 0.79g/t Au from 267m
- **Alteration and sulphide association places CH-DDH027 above possible Cu-zone of large porphyry**

Discovery of high-grade gold veins in CH-DDH028, CH-DDH029 and CH-DDH030

- **Significant mineralisation in CH-DDH028 and CH-DDH029 includes down hole intervals of:**
 - 3m @ 3.45g/t Au and 60.03g/t Ag from 35m including 2m @ 5.11g/t Au, 89.00g/t Ag, 0.53% Cu and 0.76% lead (Pb) from 36m in CH-DDH028
 - Peak value in CH-DDH028: 1m at 8.99g/t Au, 136.7g/t Ag, 0.74% Cu at 36m
 - Peak value in CH-DDH029: 1m at 5.04g/t Au, 185.8g/t Ag, 0.26% Pb at 37m
- **Significant mineralisation in CH-DDH030 includes down hole intervals of:**
 - 2m at 10.74g/t Au, 34.1g/t Ag from 59m
 - Peak sample value of 1m at 19.94g/t Au, 60.3g/t Ag from 59m
 - 1m at 3.57g/t Au, 123.4g/t Ag, 0.20% Cu, 1.63% Pb at 29m
 - 1m at 1.32g/t Au, 14.8g/t Ag, 0.48% Pb, 0.56% Zn at 67m

PROJECT ACTIVITIES

Chanape Project

The epithermal and porphyry potential of Chanape was confirmed during the December 2015 quarter ("Quarter") with the discovery of additional high grade gold veins and a second porphyry. High grade gold veins were identified at the summit in CH-DDH028 & CH-DDH029 and in the northern part of the project area in CH-DDH030 and the second sulphide-bearing porphyry was intersected in CH-DDH027 and CH-DDH033. The end-of-year break provided a scheduled hiatus of drilling during which time final assay results of CH-DDH033 are being generated.

During the Quarter, the Company completed seven drill holes for the total of 2,440.70m (Table 1). At the time of writing the assay data for all drill holes has been reported with the exception of the final assay results for CH-DDH033, which are expected in February 2016.

Targets tested in the Quarter include:

- CH-DDH027: The Cerro Ver Breccia (first tested in CH-DDH018/19) and chargeability anomaly.
- CH-DDH028 and CH-DDH029: A gold-bearing vein, now referred to as Chujcula Vein III.



- CH-DDH030 and CH-DDH031: A gold-bearing vein, now referred to as the Li Vein.
- CH-DDH032: The historic polymetallic vein, known as the 10 De Julio Vein.
- CH-DDH033: The Cerro Ver Breccia (first tested in CH-DDH018/19/27), the new Summit Porphyry (subsequently identified in CH-DDH027) and the chargeability anomaly at depth.

Drill Hole Number	Project area	Target	Hole Depth	Hole Parametres	
				Azimuth	Dip
Quarter drilling (reported as post-quarter activity in September Quarterly Report)					
CH-DDH027	North Summit	Chargeability anomaly	800.00	160	75
Quarter drilling					
CH-DDH028	Summit	Gold-bearing vein	120.00	225	45
CH-DDH029	Summit	Gold-bearing vein	85.50	180	45
CH-DDH030	Chanape North	Gold-bearing vein	87.00	4	45
CH-DDH031	Chanape North	Gold-bearing vein	219.60	52	45
CH-DDH032	Chanape Valley	Cerro Ver Breccia	220.00	333	45
CH-DDH033	North Summit	Chargeability anomaly, Cerro Ver Breccia, Summit Porphyry	908.60	335	86
			2440.70		

Table 1: LEFT Drill holes completed in the sdEIA drilling programme during the Quarter. A total of 2,440.7m of drilling was achieved at Chanape in the Quarter. This follows 2,738.35m in the previous quarter – for a 6 month total of 5,179.05m.

Results From Deep Holes CH-DDH027 & CH-DDH033: The Cerro Ver and Summit Breccia Sequence

During the Quarter the Company made several announcements concerning the discovery of a sulphide-bearing porphyry and related tourmaline breccia in the summit area of Chanape in drill hole CH-DDH027 (ASX announcements 12 October, 13 October and 2 November 2015) and in drill hole CH-DDH033 (ASX announcements 14 December and 18 December 2015). Figure 1 shows the relationship between the Cerro Ver Breccia, the Summit Porphyry and the chargeability anomaly. It is believed that the high levels of sulphide (particularly pyrite) recorded in both holes represents a pyrite zone of a porphyry deposit and accounts for the chargeability anomaly that envelopes the sequence.

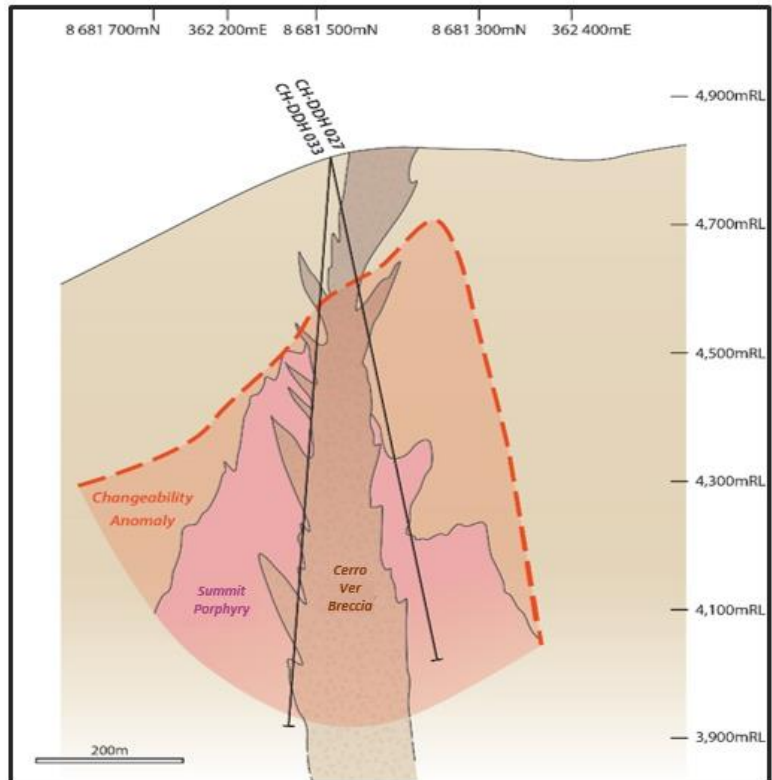
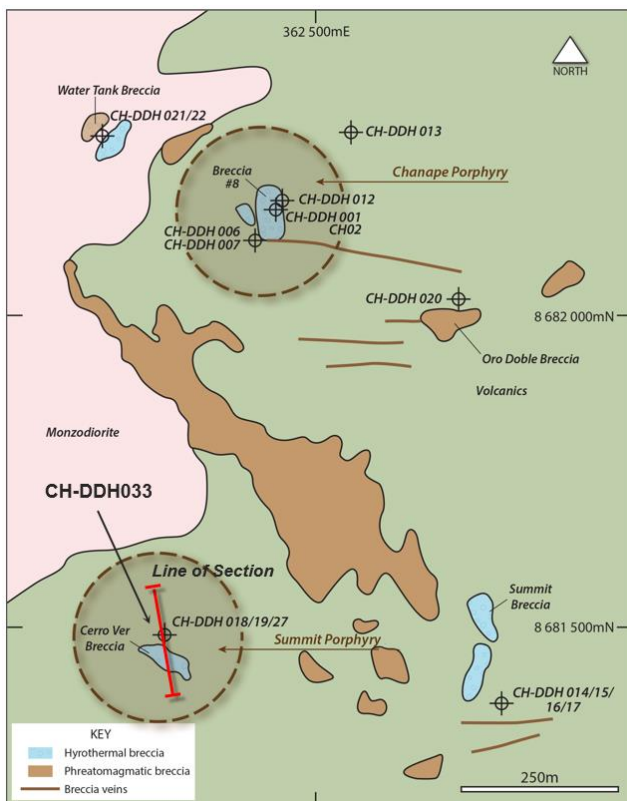


Figure 1: Cross section showing the porphyry-breccia sequence in CH-DDH027 and CH-DDH033. CH-DDH027 was drilled into porphyry at depth and toward the anomaly margin. CH-DDH033 was drilled along the breccia-porphyry interface towards the centre of the anomaly.



A contiguous sequence of quartz-monzonite porphyry and monzodiorite porphyry was intersected over a down hole interval of 351m from 449m in CH-DDH027 (Figure 1). This porphyry sequence is highly altered (phyllic alteration) and contains pervasive sulphide mineralisation, with metal zoning indicating a transition towards hotter forms of mineralisation consistent with “nearing” a porphyry centre.

In CH-DDH027 and from a down hole depth of 37m to 250m there is a Au-Ag association (meaning Au and Ag occur together). An example of this includes: 78m at 0.15g/t Au from 38m, including 11m at 8.58g/t Ag from 38m. From a depth of 267m to 473m there is a Au-Ag-Cu association. Examples of this include 32m at 0.79g/t Au from 267m including: (a) 13m at 1.36g/t Au from 267m, 7m at 10.12g/t Ag from 268m and 6m at 0.14% Cu from 269m; (b) 4m at 0.62g/t Au, 32.50g/t Ag, 0.15% Cu from 355m; and (c) 10m at 0.62g/t Au, 13.42g/t Ag, 0.33% Cu from 449m. From a depth of 468m to 800m (the end of the hole or EOH) there is a Ag-Cu±Au association. Examples of this include: (a) 5m at 10.62g/t Ag, 0.24% Cu from 468m; (b) 12m at 7.30g/t Ag, 0.19% Cu from 692m; (c) 6m at 9.30g/t Ag, 0.17% Cu from 714m; and (d) 6m at 10.18g/t Ag, 0.33% Cu from 763m.



In CH-DDH033, a porphyry-breccia sequence was intersected over a down hole interval of 659.5m from 249.1m (Figure 1). Like CH-DDH027, the monzodiorite porphyry and breccia sequence contains high levels of sulphide including pyrite, arsenopyrite and chalcopyrite. The alteration pattern of the porphyry in CH-DDH033 changes from predominantly quartz-pyrite-sericite (phyllic) to chlorite-sericite with minor biotite (initial potassic alteration). The alteration of the breccia is predominantly tourmaline-pyrite and sericite.

Based on broad sulphide trends, including a general decrease in arsenopyrite and an increase in chalcopyrite, it is anticipated that, like CH-DDH027, CH-DDH033 has moved towards the porphyry centre. At the time of writing, final assay results of CH-DDH033 were not available.

Figure 2: LEFT Plan showing location of CH-DDH027 and CH-DDH033 and cross section orientation of Figure 1.

Results From Shallow Holes CH-DDH028 to CH-DDH032: Further High Grade Epithermal Veins

Of the seven holes drilled in the Quarter, five were targeting shallow epithermal mineralisation. CH-DDH028 and CH-DDH029 targeted strong gold results from sampling at the summit and CH-DDH030 and CH-DDH031 targeted strong gold results from sampling in the northern part of the project. CH-DDH032 targeted the 10 De Julio Vein, which is a known polymetallic vein that was mined historically.



A significant Au-Ag rich vein, with elevated Cu, was intersected in CH-DDH028. Drilled in the summit area at Mount Chanape 200m southeast of CH-DDH027, CH-DDH028 targeted a breccia and vein system occurring at the surface (Figures 3 & 4). Surface sampling results of the target include: 7.06g/t Au, 2.23g/t Au and 2.12g/t Au. The mineralised down hole interval in CH-DDH028 is 3m at 3.45g/t Au and 60.03g/t Ag from 35m including 2m at 5.11g/t Au, 89.00g/t Ag, 0.53% Cu and 0.76% Pb from 36m, with a peak value of 8.995g/t Au, 136.7g/t Ag, 0.74% Cu and 0.88% Pb. CH-DDH029 is located on the same platform as CH-DDH028 and was drilled in a north-south direction towards Chujcula Vein III. Four discrete zones of Au, Ag and Pb mineralisation are recognised in CH-DDH029 between down hole depths 37m and 60m (Figures 3 & 4). This 23m interval is also broadly elevated in Zn (circa 0.12%). A high grade interval includes 1m at 5.04g/t Au, 185.8g/t Ag and 0.27% Pb from 37m.

Figure 3: **RIGHT** Plan showing location of CH-DDH028 and CH-DDH029.

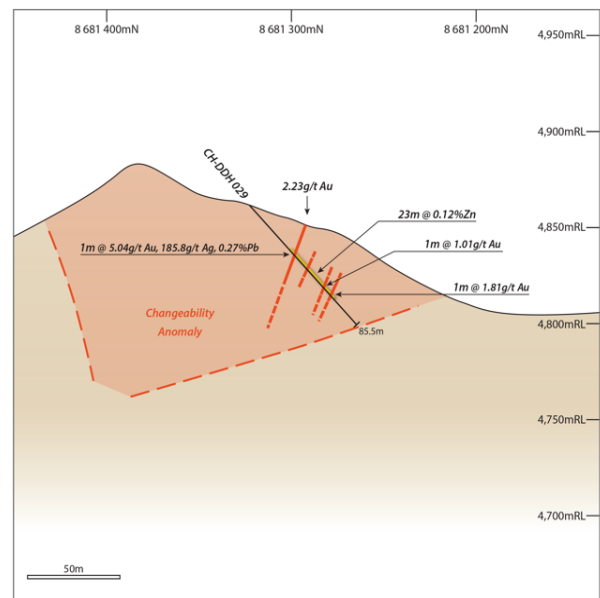
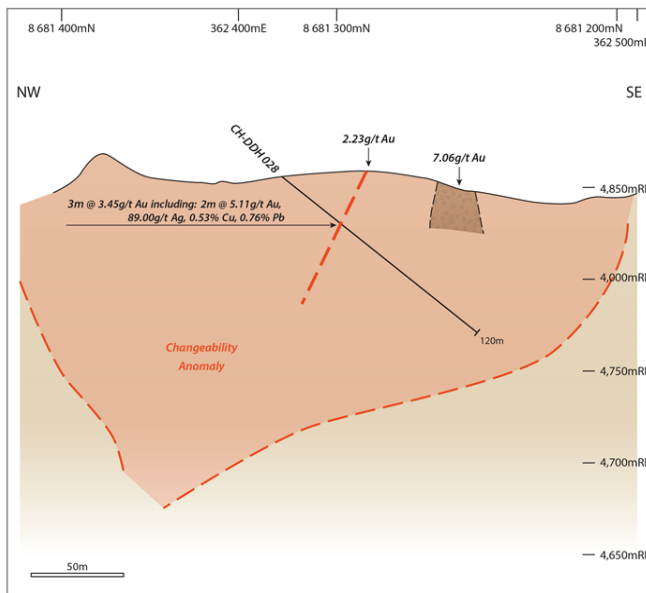
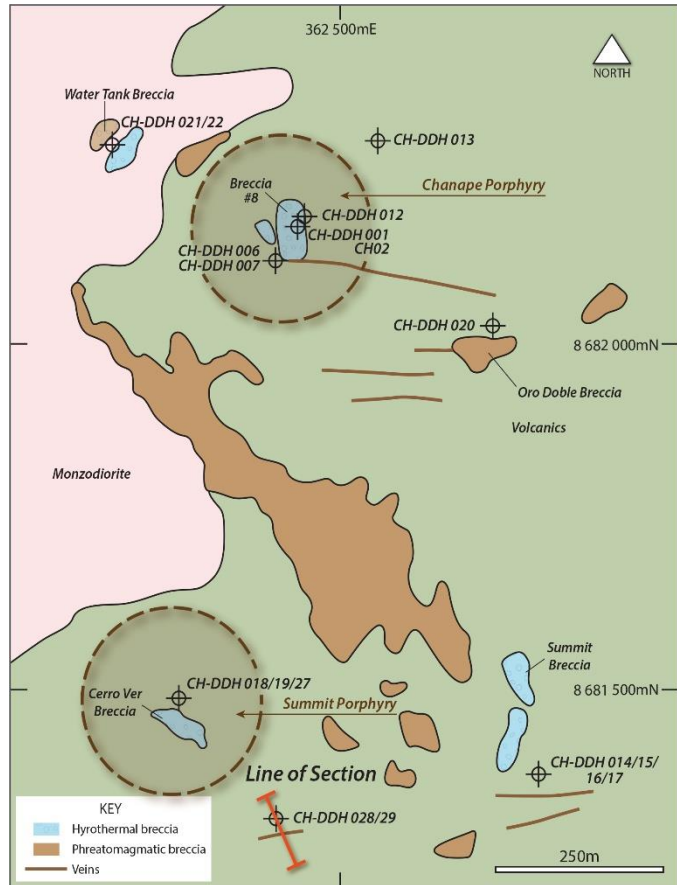


Figure 4: **ABOVE** Cross sections of CH-DDH028 (**LEFT**) and CH-DDH029 (**RIGHT**) showing the relationship between Chujcula Vein III in each hole and the outcropping vein with 2.23g/t Au.

The Au grades of Chujcula Vein III in CH-DDH028 and CH-DDH029 are comparable, 3m at 3.45g/t Au and 1m at 5.04g/t Au respectively. The vein also contains strong multiple-ounce Ag and Cu, Pb and Zn. The parallel veins of Au in CH-DDH029, which were not seen in CH-DDH028, are indicative of more pervasive and/or repetitive mineralising events.



In CH-DDH030 three intervals of Au and Ag mineralisation were identified. The three intervals include an upper zone of 1m at 3.57g/t Au, 123.4g/t Ag, 0.20% Cu and 1.63% Pb at 29m; a middle zone of 2m at 10.74g/t Au and 34.1g/t Ag from 59m; and a lower zone of 1m at 1.32g/t Au, 14.8g/t Ag, 0.48% Pb and 0.56% Zn at 67m (Figure 5). The upper and lower mineralised zones correspond to highly altered volcanics with high levels of sulphides (up to 25% arsenopyrite and pyrite). The middle zone corresponds to a structure with up to 50% sulphides (arsenopyrite and pyrite) and is believed to be the sub-surface extension of the Li Vein. At surface the Li Vein occurs on the margin of a zone of brecciation and has a sample result of 31.6g/t Au. Although the surface brecciation is not as apparent in the hole, it appears the Li Vein does continue at depth and is open-ended. The parallel gold/silver zones, no doubt associated with the Li Vein, are also open ended at depth.

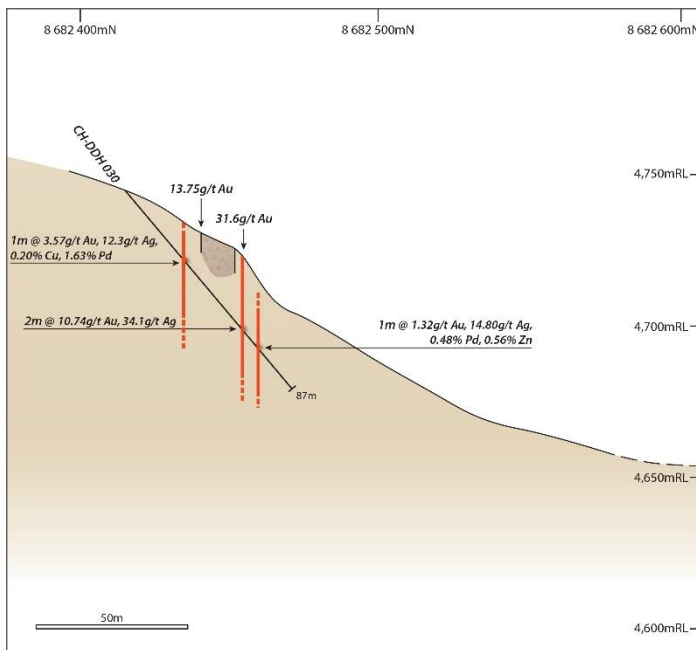


Figure 5: LEFT NS section of hole CH-DDH030 showing the position of the Li Vein in relation to surface sampling results, an outcropping crackle-breccia and the parallel mineralised zones (vein-like in characteristics). The 31.6g/t Au surface result correlates with the 2m at 10.74g/t Au and may define a vertical high grade gold vein.

Chanape Summary as at December Quarter 2015 End

A total of 5,179.05 metres of drilling have been completed under the sdEIA permit during the September and December 2015 quarters. The Company has now completed a total of 33 holes for 9,147 metres of drilling in all programmes. Including well over 2,000 surface samples, the Company has compiled a significant body of information regarding Chanape's epithermal and porphyry potential.

It is understood that Chanape hosts two mineralised porphyries and numerous mineralised epithermal breccia pipes and veins. Together, these mineralised bodies define a very large Au-Ag-Cu-Pb-Mo-W porphyry system covering an area of 2.5km x 1km, which is defined, three dimensionally, by a very large double copular-shaped chargeability anomaly (Figure 6) within which Cu-porphyry ore bodies would be expected to occur.

Each of the two individual porphyry centres that make up the Chanape Porphyry system (the Chanape Porphyry and Summit Porphyry) have corresponding chargeability anomalies which relate to pyrite zones associated with each porphyry. These individual anomalies merge at depth (Figure 6).



Each of the Chanape and Summit porphyries also have associated epithermal zones of mineralisation above them. The Clint/Pipe 8 Breccia Complex, the Oro Doble Breccia Complex, the Water Tanks Breccias, and the polymetallic “historic” vein swarms are related to and are derived from the Chanape Porphyry. The Cerro Ver and Chujcula Vein Swarm are related to and are derived from the Summit Porphyry.

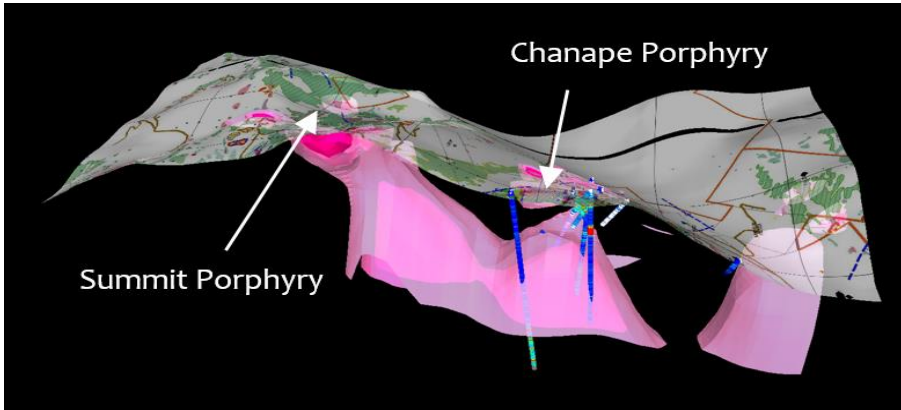


Figure 6: 3D projection of the chargeability anomaly (pink shell) at Chanape. The anomaly associated with the Summit Porphyry plunges to the north and joins the anomaly associated with the Chanape Porphyry.

Whereas the surface/near-surface epithermal deposits are candidates for nearer term resource modelling, the deeper porphyry deposits that occur at Chanape may be seen in the context of possible longer term development. Ahead of a review and finalisation of the 2016 programme, the Company is currently assessing all previous drilling results and is eagerly awaiting the final assay results of the most recently completed hole, CH-DDH033, which are expected in February 2016.

OTHER ACTIVITIES

Inca’s board and management continue to appraise current projects and to assess new opportunities. As reported in the September 2015 Quarterly Report, the Company secured an option to acquire the Cerro Rayas Zinc Project in Peru. Cerro Rayas hosts known high grade replacement-style zinc and lead veins at the surface and small-scale mining has occurred at Cerro Rayas in the past. The Company is presently conducting due diligence on Cerro Rayas.

Ross Brown
Managing Director



Competent Person's 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 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 reports/data regarding gold, copper, silver, zinc epithermal and porphyry style mineralisation for the Chanape Project, located in Peru, 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. The Company is not aware of any new information or data that materially affects the information in this report and such information 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.

Table 2: List of ASX Announcements during December 2015 Quarter

ASX Announcements	Price Sensitive	Date Announced	Competent Person
Second Porphyry Discovered at Chanape	Yes	12 October 2015	Ross Brown
18.2g/t and 13.7g/t in Gold Rich Vein	Yes	13 October 2015	Ross Brown
Appendix 3Y	No	14 October 2015	
September 2015 Quarterly Activities Report	Yes	23 October 2015	Ross Brown
Appendix 5B	Yes	23 October 2015	
Appendix 4G	No	23 October 2015	
2015 Annual Report	No	23 October 2015	
Pervasive Mineralisation Confirms Chanape Porphyry Scale	Yes	23 October 2015	Ross Brown
Notice of 2015 Inca Annual General Meeting	No	23 October 2015	
Trading Halt	Yes	28 October 2015	
Drilling Indicates Potential Copper Zone in Summit Porphyry	Yes	2 November 2015	Ross Brown
8.995g/t Gold in Chujcula Vein at Chanape Summit	Yes	25 November 2015	Ross Brown
19.94g/t Gold in New Li Vein at Chanape	Yes	27 November 2015	Ross Brown
2015 Annual General Meeting Results	No	30 November 2015	
500M of Sulphide Bearing Porphyry and Breccia in CH-DDH033	Yes	14 December 2015	Ross Brown
Patersons Securities Research Note	No	15 December 2015	
CH-DDH033 Ends in Sulphide-Bearing Porphyry-Breccia Sequence	Yes	18 December 2015	Ross Brown
