



20 November 2013

## Early Drilling Success at Chanape

### HIGHLIGHTS

- New breccia discovered in CH-DDH005
- New breccia appears part of large breccia system which includes gold-bearing Breccia Pipe 8
- Drilling at first deep drill hole commences

Inca Minerals Limited (“Inca” or the “Company”) resumed drilling at Chanape in the middle of last week. To date three holes are completed for a total of 363m. Holes include an extension of CH-DDH005 (from 97m to 230m), and two new holes CH-DDH006 (drilled to 115m) and CH-DDH007 (drilled to 130m). These holes focus on epithermal mineralisation and, while assay results are not yet available, visual examination of drill core is highly encouraging.

### Drill hole CH-DDH005

Close examination of core from surface [0m] to 98m of CH-DDH005 (a hole drilled in September this year) confirmed the occurrence of pervasively altered, sulphide-bearing volcanics. Consequently it was determined that the hole should be extended to 230m to test for further sulphide mineralisation and alteration at depth. Extension of CH-DDH005 **has identified a new breccia (or possibly an extension of the breccia encountered in CH-DDH001) between the depths of 97.7m and 195.5m.** With a down-hole width of 97.8m this breccia is large and believed part of a much larger epithermal system, and as such, is a significant discovery.

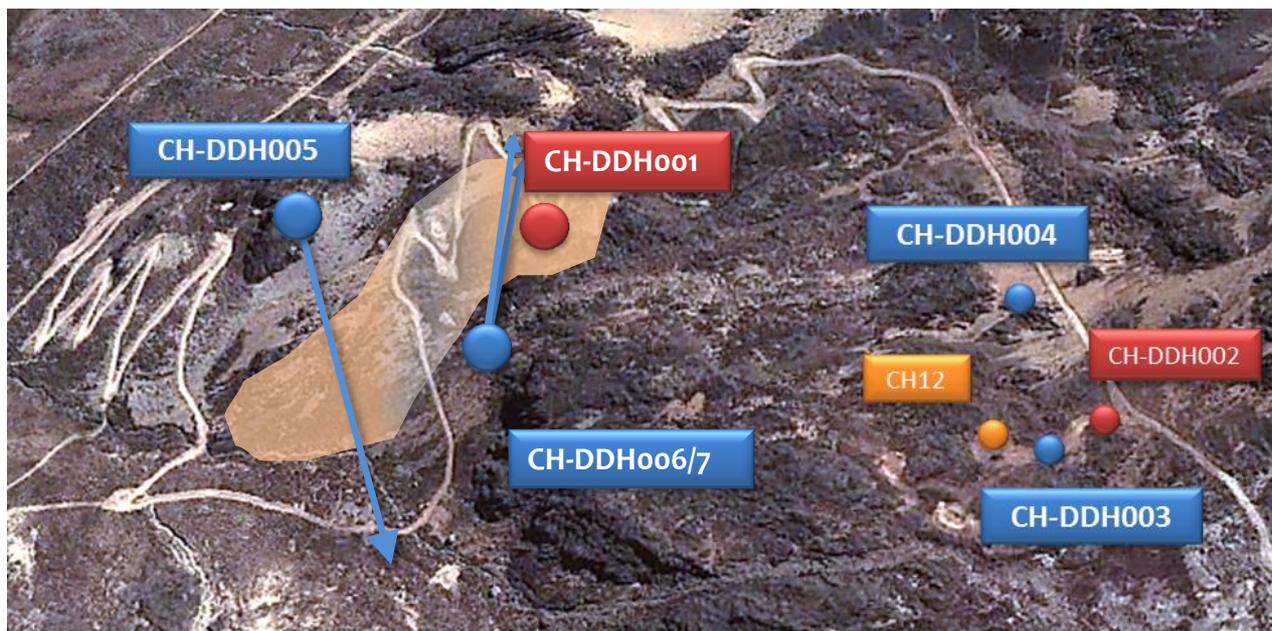


Figure 1: Drill hole location plan showing in blue: Sep-Nov Inca drill holes (arrows indicate drill direction), red: Feb Inca drill holes, orange: pre-Inca drill holes. The pink shaded area depicts a rough outline of epithermal breccia zone identified in CH-DDH001 and CH-DDH005/06/07 projected to surface.



### Drill holes CH-DDH006 and CH-DDH007

Drill holes CH-DDH006 and CH-DDH007 have been planned as twinned angled holes (40° and 55° respectively) to examine the nature of the contact between gold-bearing Hydrothermal Breccia Pipe 8 (in CH-DDH001) and the surrounding volcanics. In doing this, the true width of mineralisation at Hydrothermal Breccia Pipe 8 may be determined. In addition, the relationship between the altered brecciated volcanics (in CH-DDH005) and the hydrothermal breccia pipe (in CH-DDH001) may also be determined.

Hydrothermal breccia was intersected in CH-DDH006 at a depth of between 33.5m and 100m (down-hole width of 66.5m). The largely monomictic breccia is highly altered (Figures 2). It contains disseminated and vein-type sulphides including pyrite, arsenopyrite, pyrrhotite, chalcopyrite and covellite [copper mineral].

In CH-DDH007 hydrothermal breccia was intersected at a depth between 45m and 110m (down-hole width of 65m). The breccia is highly altered and contains disseminated and vein-type sulphides including pyrite, arsenopyrite and chalcopyrite.

Initial examination of the breccia intervals shows that Hydrothermal Breccia Pipe 8 is a near-vertical feature with relatively sharp lithological contacts. The pipe is open to the west and east [EW is the principal structural/breccia trend] with the extent to the north and south now defined in two holes.



Figure 2: Core tray photo of CH-DDH006 from approximately 33.2m to 40.6m containing highly altered hydrothermal breccia. INSERT: Core detail showing late-stage veining across highly veined breccia clast indicating multi-phase vein development.

### Important Observations

The projected position of the new breccia in CH-DDH005 and the gold-bearing hydrothermal breccia Pipe 8 in CH-DDH001/6/7 closely coincides with the near-surface part of a large chargeability anomaly (Figure 3 - previously presented ASX announcement 11 November 2013). The close correlation between chargeability, lithology, alteration and sulphidation is extremely promising as it indicates that the chargeability anomaly is related to broadly-developed mineralising processes. The upper part of the chargeability anomaly corresponds to a pyrite-rich, epithermal system which may be related to underlying porphyry. The pervasive quartz-sericite alteration in volcanics, and more intensely altered breccia pipes provide strong supporting evidence for this belief.



The extension of drill hole CH-DDH005 and drill holes CH-DDH006 and CH-DDH007 focus on epithermal (near surface) mineralisation at Chanape and the Company eagerly awaits assay results. In keeping with Inca's dual resource focus the Company has now commenced drilling the first deep hole of this campaign, to test the porphyry system in the lower parts of the same chargeability anomaly. At this stage the hole is planned to test for porphyry mineralisation down to a depth of 700m.

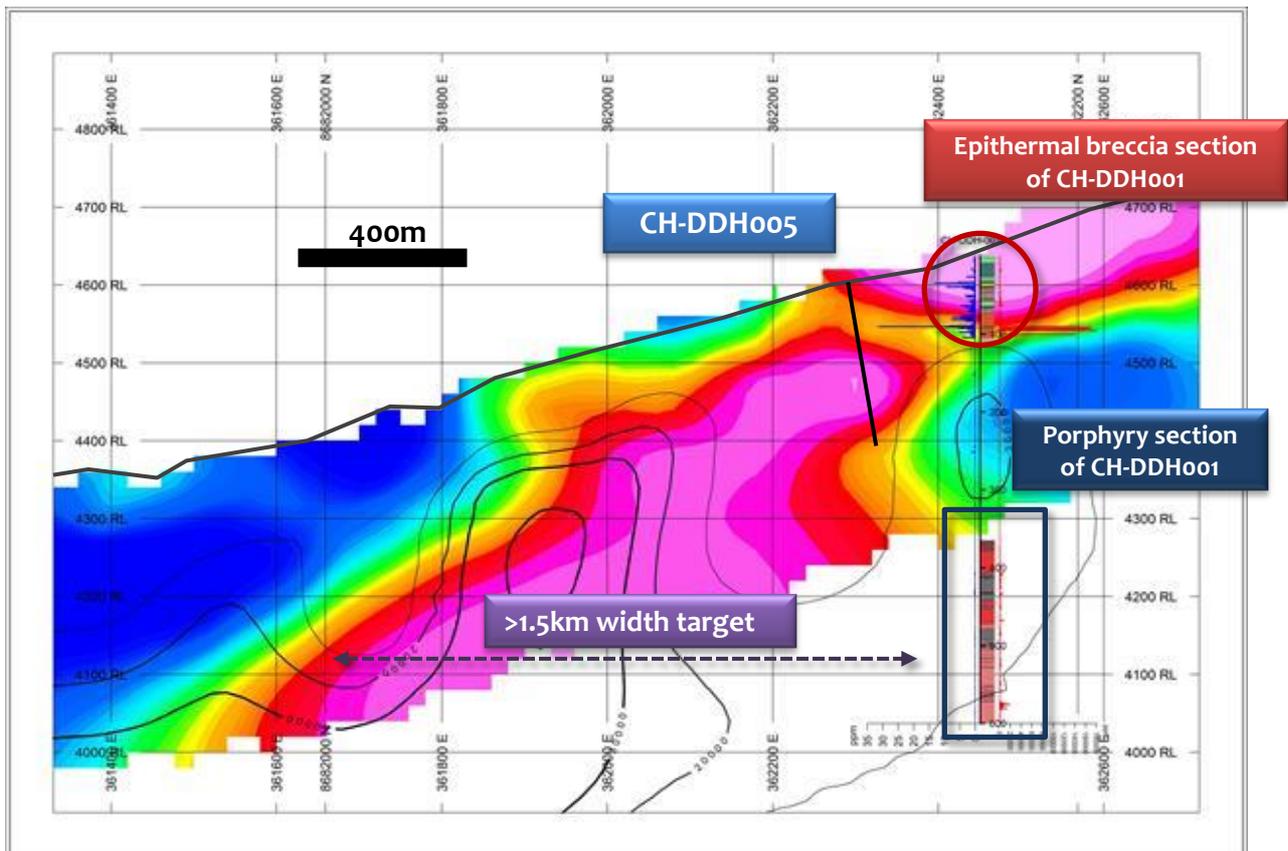


Figure 3: SW-NE schematic section of the chargeability anomaly (pink) in relation to CH-DDH001 and CH-DDH005. The very close association between, chargeability, lithology, brecciation and gold/silver mineralisation is evident from this section.

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### Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Ross Brown, Managing Director, Inca Minerals Limited, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Brown is a full time employee of Inca Minerals Limited. 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 by the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Brown consents to the report being issued in the form and context in which it appears.