INCA MINERALS LTD
ACN: 128 512 907

ASX ANNOUNCEMENT
ASX Code: ICG

13 December 2013

Porphyry Intersected in Drill Hole CH-DDH008

HIGHLIGHTS

- **First deep drill hole (CH-DDH008) in current campaign intersects porphyry and related hydrothermal breccias between 496m and 728.9m down-hole depth (EOH)**
  - **Porphyry dykes occurring at 496m depth**
  - **Several distinctive Cu-Mo veins identified at 530m depth**
  - **Multiple hydrothermal breccias and sulphide vein zones from 503m, intensifying with depth** *(example pictured right)*
- **Preliminary analysis of veining and alteration positions CH-DDH008 on western / south western flank of mineralised porphyry system**
- **Assay results for CH-DDH008 pending**
- **Porphyry drilling to continue into 2014 with refined knowledge of porphyry location**

Summary

Inca Minerals Limited ("Inca" or the "Company") recently completed CH-DDH008 - the first deep hole of its current drilling program. The Company is extremely pleased to report that CH-DDH008 intersected intensely altered and vein-effected porphyry bodies and related hydrothermal breccias over an interval of 232.9m - between down-hole depths of 496m and 728.9m (EOH). The Company has now discovered mineralised porphyry in both of its two deep holes (CH-DDH001 and CH-DDH008), effectively doubling the data points and providing exploration vectoring for the first time.

Importantly, the locations of both CH-DDH001 and CH-DDH008 suggest a large mineralised porphyry is centred east of CH-DDH001, possibly beneath Mount Chanape and entirely within the Chanape Project area.

The presence of visible chalcopyrite and molybdenite in veins in hydrothermal breccias juxtaposed with quartz-chalcopyrite-pyrite veins in quartz monzonite porphyry within the drill core is encouraging and the Company looks forward to receiving assay results and the continuation of its current drilling campaign in 2014.

Discussion and Implications

Drill hole CH-DDH008 tested a possible south west extension of the known porphyry occurring in CH-DDH001 and a large chargeability anomaly, which extends NS-EW across CH-DDH001, for possible higher level porphyry. The hole entered an argillic alteration zone comprising alternating quartz monzonite porphyry, monzonite, hydrothermal quartz-tourmaline breccias and pyrite±chalcopyrite±molybdenite veins/veinlets from 496m to 728.9m (the end of the hole).

The upper part of the chargeability anomaly that extends NE-SW across CH-DDH001, subsequently tested in CH-DDH008, does not relate to porphyry mineralisation (Figure 1b). A combination of ground water (possibly related to major faulting intersected in CH-DDH008 at approximately 100m hole depth) and background levels of pyrite (associated with outer propylitic alteration) may account for this geophysical feature.

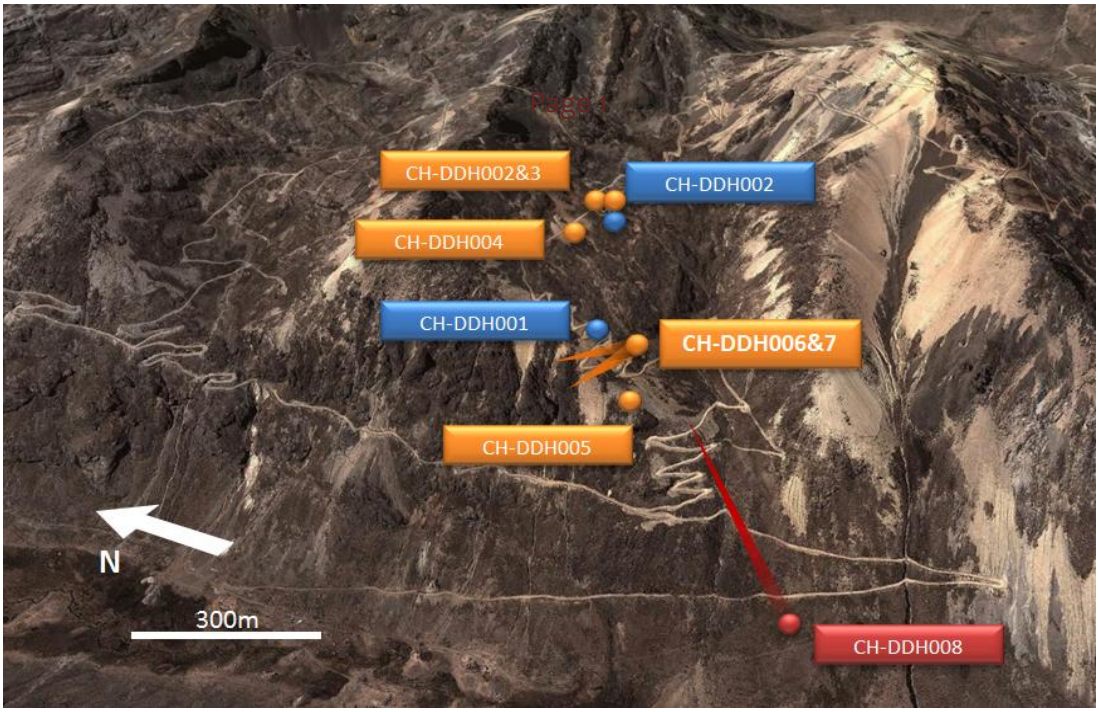

Figure 1a: 3D terrain image of the Chanape Project area looking towards the ENE. Drill hole CH-DDH008 is positioned SW of CH-DDH001. This hole tested the possible south west extension of the known porphyry in CH-DDH001.

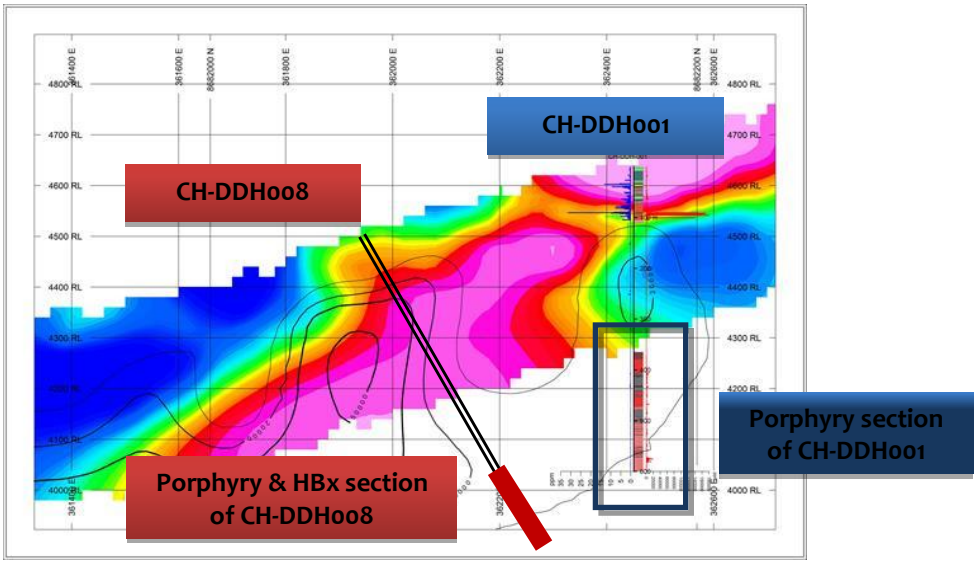

Figure 1b: SW-NE cross section showing the chargeability anomaly (red-pink zone), with magnetics (black contours) with the projected positions of CH-DDH001 (including log) and CH-DDH008 (approximate position). Whilst the upper extent of the chargeability anomaly does appear to relate to mineralised porphyry, the lower extent of the anomaly may still be related to sulphide mineralisation.

The Company now has mineralised porphyry in two [out of two] deep holes (CH-DDH001 & CH-DDH008). Alteration and sulphide assemblages indicate that both holes were drilled into the possible shoulder and flank of the porphyry core (Figures 2a&b). Based on the relative 2-dimensional positioning of the porphyry intersects in both holes, the Company now believes that the porphyry goes to depth in a south west direction and is possibly shallower in the facing direction. Importantly, should this be the case, the porphyry centre could have an RL above the Chanape valley. This has important and positive implications with respect to possible future mining.

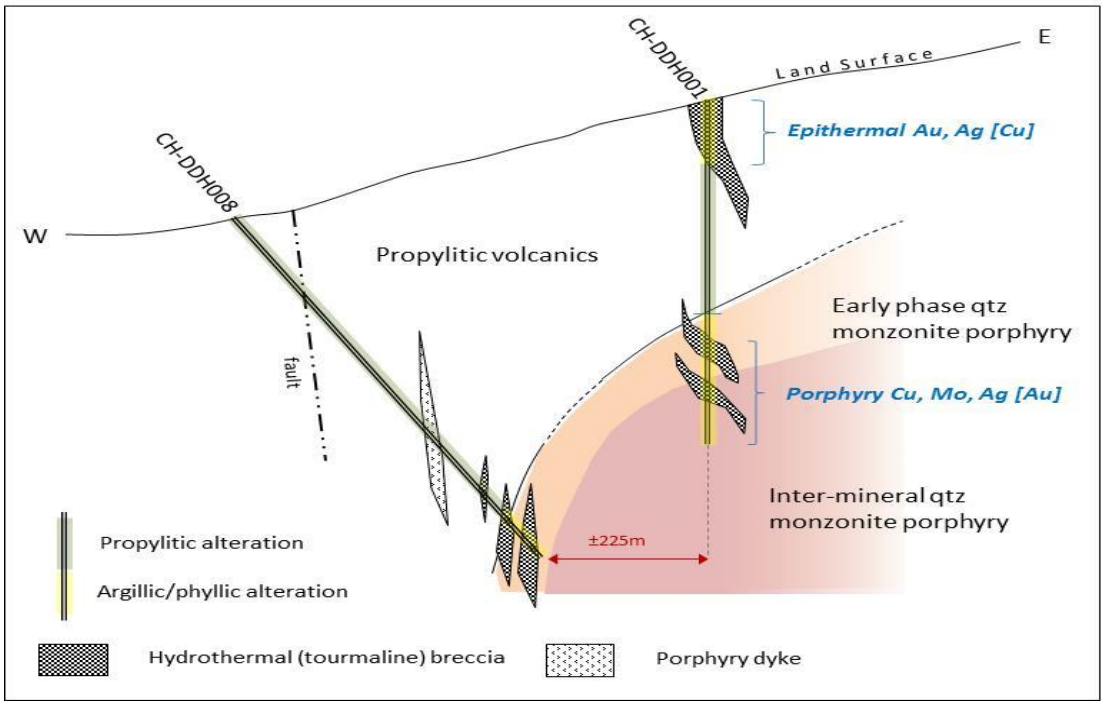

Figure 2a: A schematic cross-section showing the relative positions of the porphyry intersections in CH-DDH001 and CH-DDH008. The horizontal distance between the porphyry in CH-DDH001 and CH-DDH008 is approximately 225m

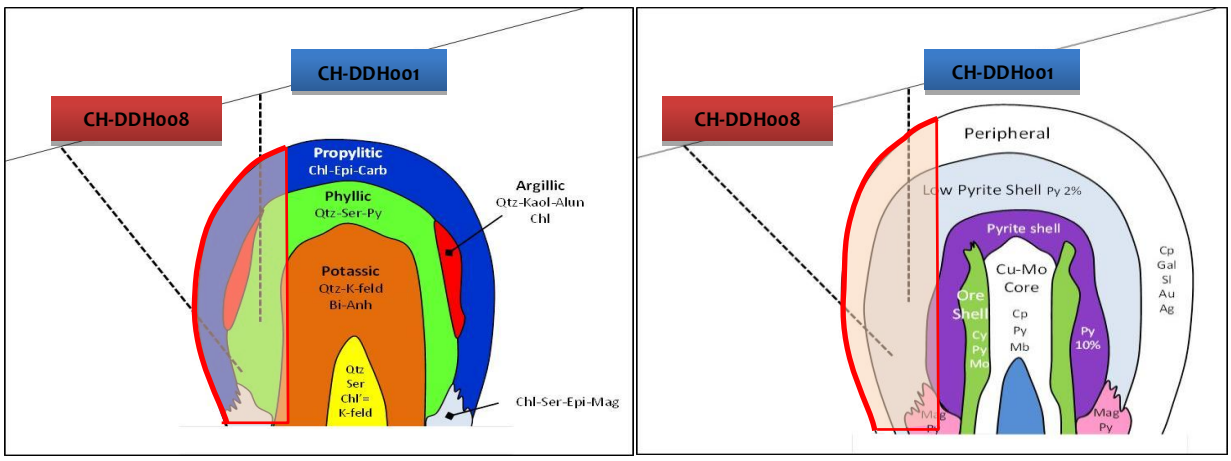

Figure 2b: Schematic cross section of Cu Porphyry Model (after Lowell & Guilbert, 1970) showing the relative position of CH-DDH001 and CH-DDH008. The actual shape of the porphyry ore zone changes from deposit to deposit. Py - pyrite, Cp - Chalcopyrite, Gal - Galena, Sl - Sulphide, Au - Gold, Ag - Silver, Cu - copper, Mb – Molybdenite, Mo – Molybdenum, Qtz – Quartz, Kaol – Kaolinite, Alun – Alunite, Chl – Chlorite, Ser – Sericite, Epi – Epidote, Mag – Magnetite, K-feld – Potassium feldspar, Anh – Anhydrite, Bi – Biotite.

The Next Steps

The results of CH-DDH008 are greatly encouraging. The occurrence of mineralised porphyry in both of the Company's deep holes doubles the information that the Company has on the porphyry and for the first time the Company has 3D-directionality enabling refined porphyry modelling and drill targeting.

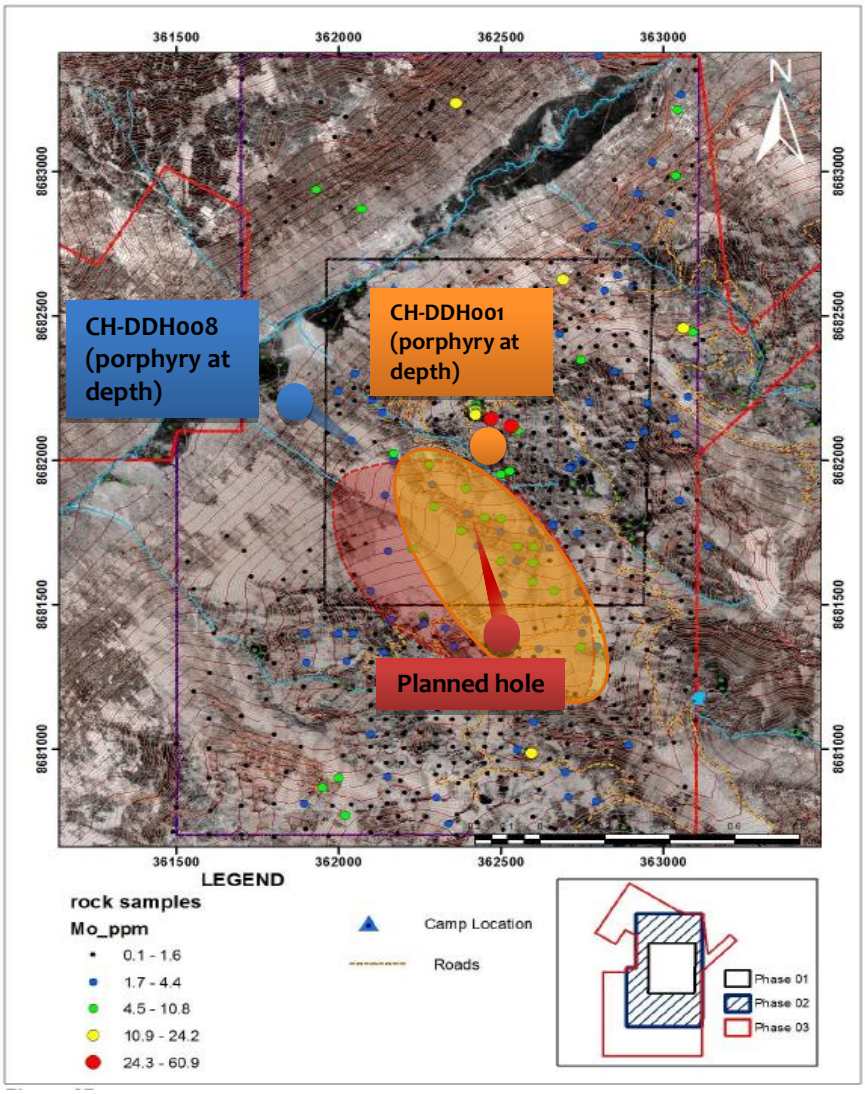

Figure 3: Coincident molybdenum geochemical anomaly (orange shaded area) and large argillic/phyllic alteration anomaly (red shaded area) with CH-DDH001 and CH-DDH008.

The results of CH-DDH008 are consistent with the belief that the porphyry is (or porphyries are) located within the Spontaneous Potential Anomaly, which occurs within the Chanape Project area. Further indication that the porphyry centre is east – south east of CH-DDH001 is provided by coincident geochemical and alteration anomalies. As previously reported to the ASX (5 December 2013), a large coincident molybdenum rock chip anomaly and equally large phyllic/argillic alteration halo exists to the south and south east of CH-DDH001 (Figure 3). The Mo-geochemical anomaly is indicative of underlying porphyry and the argillic and phyllic styles of alteration are associated with proximal porphyry (Figure 2b).

In conjunction with the ongoing epithermal drilling campaign the Company's porphyry drill program will continue into 2014. The assay results of CH-DDH008 and results from hydrothermal clay mapping of CH-DDH008 (samples to be submitted in due course) will further refine knowledge of the location of the porphyry "centre", which will assist in the fine-tuning of the additional porphyry holes. The Mo-anomaly and phyllic/argillic alteration halo, mentioned above, will be targeted in the future porphyry drill program.

Figure 4: Selection of core photos of CH-DDH008

At 664.1m: Hydrothermal breccia with late-stage chalcopyrite and pyrite veins and replacements effecting both altered clasts and tourmaline matrix.

At 724.3m: Highly silicified, quartz veined breccia with disseminated chalcopyrite, molybdenite, pyrite "blebs" occurring as late-stage replacements.

At 727.2m: Quartz monzonite porphyry with sutured quartz veins with chalcopyrite and pyrite.

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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 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.

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 concessions known as San Antonio de Chanape 3 and 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 728.9m metres of drilling in a single diamond core hole (CH-DDH008) are 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 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).
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 v's core length measurements were made. No significant core loss was experienced.
	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.
	Whether logging is qualitative or quantitative in	Core logging is both qualitative and

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Logging cont…	*nature. Core (or costean, channel, etc.) photography.*	quantitative. Core photos were taken.
	The total length and percentage of the relevant intersections logged.	100% of the core was logged.
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.
Location of data	*Specification of the grid system used.*	PSAD56.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
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 as perpendicular as possible a geophysical chargeability anomaly and to test for a SW extension of the known porphyry. Assay results are currently not available so "perpendicularity" of chargeability anomaly to 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. Name: Two concessions: San Antonio De Chanape 3 and 10 De Julio De Chanape. Ownership: The concessions are 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 concessions.
	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 concessions are 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-DDH008: 8682207mN: 361903mE (PSAD56) RL: 4,397m Dip and azimuth: 55°: 30° respectively. Down hole length of mineralisation: None reported. Hole length: 728.9m.
	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).
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*	Not applicable – no weighting averages nor maximum/minimum truncations were applied.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Data aggregation methods cont…	*stated.*	
	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').*	No mineralisation was reported in this announcement.
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 vie ws.*	Schematic sections are provided to provide insight as to the reported geological, alteration and veining information in the context of porphyry mineralisation. 2D terrain images with coordinates are 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-DDH008.
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 cross references geological and alteration results of CH-DDH008 with previous exploration results including geophysics, geochemistry and geological mapping.
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.	2D terrain plans and schematic sections were included in this ASX announcement to illustrate the position of drill hole and the relative position of it in relation to a Cu-Mo porphyry model.

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