



HIGHLIGHTS

- Intersection of strongly mineralised Clint Breccia in CH-DDH013
- Discovery of high grade Chujcula Vein in drill holes CH-DDH018 & 19
- Discovery of second Summit Porphyry in CH-DDH027
- Option to acquire new zinc project - Cerro Rayas
- 87% take-up in successful rights issue & placement
- Resource Capital Fund makes \$1.3M investment

PROJECT ACTIVITIES

Chanape Project

As well as confirming high grade mineralisation in the Clint Breccia, significant discoveries were made in the September 2015 quarter including a second porphyry and a high grade vein, both located at the summit area of Mount Chanape.

During the September 2015 quarter, the Company completed thirteen drill holes for the total of 2,408.35m (Table 1). CH-DDH013 was drilled in the previous quarter but assays were released this quarter. CH-DDH027, the first of this campaign's deep holes, was completed after the quarter closed. Various targets were tested this quarter including a gold-bearing breccia vein (CH-DDH014/15/16), the Summit Breccia (CH-DDH017), the Cerro Ver Breccia (CH-DDH018/19), the Oro Doble Breccia (CH-DDH020), the Water Tank Breccias (CH-DDH021/22), the Trinity Breccia (CH-DDH023/24/25) and another gold bearing breccia vein (CH-DDH026).

Drill Hole Number	Project area	Target	Hole Depth	Hole Parametres	
				Azimuth	Dip
Pre-quarter drilling					
CH-DDH013	Breccia 8 Area	Clint Breccia	330.00	225	58
Quarter drilling					
CH-DDH014	Summit	Gold-bearing vein	109.10	170	45
CH-DDH015	Summit	Gold-bearing vein	96.70	170	60
CH-DDH016	Summit	Gold-bearing vein	60.00	192	45
CH-DDH017	Summit	Summit Breccia	335.15	350	45
CH-DDH018	North Summit	Cerro Ver Breccia	163.10	180	50
CH-DDH019	North Summit	Cerro Ver Breccia	318.00	180	75
CH-DDH020	Breccia 8 Area	Oro Doble Breccia	250.00	210	60
CH-DDH021	Breccia 8 Area	Water Tank Breccia	214.50	120	60
CH-DDH022	Breccia 8 Area	Water Tank Breccia	153.00	300	60
CH-DDH023	South Summit	Trinity Breccia	190.50	360	50
CH-DDH024	South Summit	Trinity Breccia	178.50	240	50
CH-DDH025	South Summit	Trinity Breccia	198.40	240	50
CH-DDH026	South Summit	Gold-bearing vein	141.00	360	70
Post-quarter drilling					
CH-DDH027	North Summit	Chargeability Anomaly	800.00	160	75

Table 1: Drill holes completed to date in the sdEIA drilling programme. CH-DDH013 was drilled in the previous quarter and assay results were made available in the report period. CH-DDH027 was drilled after the quarter and at the time of writing assay results were not available.



Assay Results from CH-DDH013 – The Clint Breccia Hosts Strong Mineralisation

In the June 2015 Quarterly Report, the Company announced that it had intersected a sulphide-bearing tourmaline breccia in its first hole (CH-DDH013) in the new sEIA drilling campaign. Based on geological studies the breccia is believed part of the copper (Cu), gold (Au), silver (Ag) bearing Clint Breccia. At the time of writing the June 2015 quarterly report the assay results for CH-DDH013 were not available.

On 20 August 2015 the Company reported assay results for CH-DDH013. These included a 68 metre intersection of 1.98% Cu plus gold and silver credits. Initial investigations indicate the projected position of the Clint Breccia, as intersected in CH-DDH013, is approximately 175m vertical distance from the surface and adjacent to Breccia Pipe Eight. Breccia Pipe Eight contains 108m at 2.0g/t Au and 41.0g/t Ag from surface (peak drill result). The current deepest mineralised sections of the Clint Breccia and the Breccia Pipe Eight are more than 100m above the floor of the adjacent valley. Follow-up drill holes will be designed to develop a potential resource associated with these breccias.

High Grade Chujcula Gold Veins Discovered at the Summit

Drill holes CH-DDH018 & CH-DDH019 intersected a high sulphide zone of mineralisation believed related to a vertical, high-grade vein structure – the Chujcula Vein. The Chujcula Vein is believed to extend vertically for approximately 200m between drill holes CH-DDH018 and CH-DDH019 (Figure 1), may extend vertically for at least 260m, and is open-ended. Grades of the Chujcula Vein in CH-DDH019 include: **3m @ 10.83g/t Au, 17.10g/t Ag, 0.28% Cu and 0.44% Zn** from 287m, including **2m @ 15.8g/t Au** from 288m and **22.2g/t Ag** from 287m. The grade of the Chujcula Vein in CH-DDH018 is **3.41g/t Au, 26.0g/t Ag and 0.31% Cu** at 97m (Figures 2 & 3).

The Chujcula Vein occurs in close juxtaposition to the broadly mineralised Cerro Ver Breccia, appears structurally related to the breccia and derives its metal payload from melts associated with the underlying quartz monzonite/monzodiorite porphyry (discussed below).

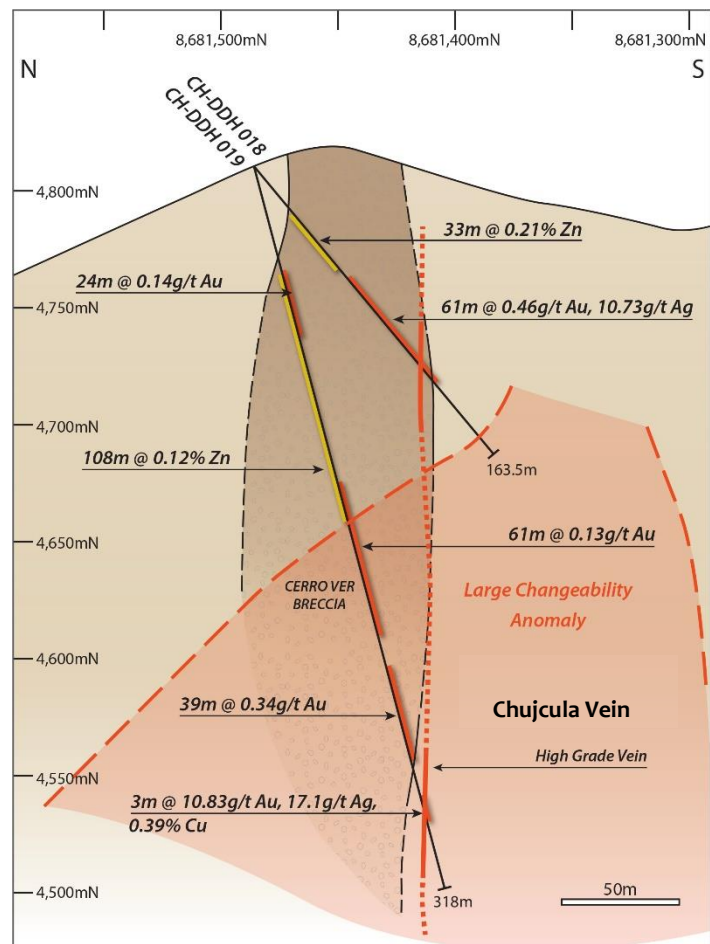


Figure 1: **ABOVE RIGHT:** NS schematic cross section showing the position of drill holes CH-DDH018 and CH-DDH019. The Chujcula Vein is a vertical to near-vertical mineralised structure that occurs in close juxtaposition to the broadly mineralised Cerro Ver Breccia. The Chujcula Vein appears to control the positioning of Cerro Ver. The very recently discovered Summit Porphyry (discussed below) is believed to be the source of high grade metals in the Chujcula Vein.



Figure 2: **LEFT** Core photo at 97.3m in CH-DDH018. The grade of the corresponding 97m-98m sample is 3.41g/t Au, 26.0g/t Ag and 0.31% Cu.



Figure 3: **LEFT** Core photo at 288.0m in CH-DDH019. The grade of the corresponding 288-289m sample is 13.7g/t Au, 23.1g/t Ag, 0.24% Cu and 0.23% Pb.

The Company commenced its first deep hole (CH-DDH027) at the summit in the September Quarter report period. As well as discovering a second porphyry at Chanape (discussed below) CH-DDH027 intersected a high-



sulphide zone at a down hole depth of 355m (Figure 4). Based on preliminary three dimensional projections, this high sulphide zone is a possible strike and depth extension of the Chujcula Vein. If so, the Chujcula Vein would extend over 260m vertically, be open ended at depth and be open-ended in the east-west direction.

Figure 4: **LEFT** Core photo at 357m (CH-DDH027): Massive to semi-massive sulphide zone.

In addition to the Chujcula Vein, a second high-sulphide zone (believed to be a second vein) was intersected in CH-DDH027. It occurs at a down-hole depth of 449.1m (Figure 5 & 6). This vein has a down-hole interval of approximately 8m and contains pyrite, arsenopyrite and chalcopyrite (assay results are expected in mid-November), and is hereafter referred to as Chujcula Vein II. Importantly, the Chujcula Vein II is significantly wider than Chujcula Vein.

Figure 5: **RIGHT** Core photo at 450m (CH-DDH027) Silicified phyllic-altered volcanics with veins, patches and disseminated sulphides, including arsenopyrite, pyrite and chalcopyrite. In the lower tray chalcopyrite can be seen as a late replacement in a tourmaline-calcite-quartz vein (C).





Figure 6: **RIGHT** Core photo at 454m (CH-DDH027). The volcanics are almost entirely replaced by massive to semi-massive sulphides. The sulphides include arsenopyrite, chalcopyrite, pyrite and sphalerite.



Second Porphyry Intersected in CH-DD027

The Company reported the discovery of a second porphyry at Chanape post-quarter. A contiguous sequence of quartz monzonite porphyry and monzodiorite porphyry was intersected over a down hole interval of 351m from 449m. At the time of writing assay results were not available. This porphyry sequence is highly altered and contains pervasive sulphide mineralisation (Figures 7 & 8). The porphyry sequence is open-ended at 800m.

The Company's previous shallow drill holes at the summit (CH-DDH018 and CH-DDH019) had provided evidence for a possible second porphyry at Mount Chanape. This evidence is in the form of pervasive epithermal Au-Ag-Pb-Zn mineralisation and porphyry fragments in the Cerro Ver Breccia. The Company commenced its first deep hole at Mount Chanape (CH-DDH027) in the current quarter which was drilled to a down hole depth of 800m.



Figure 7: **LEFT** Core photo at 581m (CH-DDH027) Veined and highly altered monzodiorite with multiple forms of sulphide.

The anticipated discovery of porphyry in CH-DDH027 occurred at a down hole depth of 449m. The porphyry occurs in a sequence containing lesser intervals of volcanics. It is highly altered (predominantly phyllic/propylitic alteration with minor potassic alteration) and hosts broad zones of pervasive sulphide mineralisation, punctuated by restricted zones of high-sulphide mineralisation and tourmaline brecciation (Figures 7 & 8). Pyrite and arsenopyrite are the dominant disseminated sulphides in the porphyry sequence between 449m and 663m. Pyrite and chalcopyrite then become the dominant disseminated sulphides from 663m to 800m. The porphyry discovered in CH-DDH027 is referred to as the Summit Porphyry.



Figure 8: **LEFT** Core photo at 587m (CH-DDH027). The monzodiorite is highly altered (phyllic) with tourmaline rosettes and sulphide replacements. The sulphides occur as patches, veins and as disseminations.



Proof of Concept – Chanape as a Large, Multiphase Porphyry System

The discovery of a second porphyry this quarter (in drill hole CH-DDH027) cements the porphyry *bona fides* of this project and commensurately enhances the exploration potential and value of Chanape. Two porphyry centres are now confirmed (Figure 9); one located below the Clint/Pipe 8 Breccia – the **Chanape Porphyry** (intersected in drill holes CH-DDH001, CH-DDH008 and CH-DDH011); and a second located below the Cerro Ver Breccia – the **Summit Porphyry** (intersected in drill hole CH-DDH027) at Mount Chanape. The Chanape and Summit porphyry centres are approximately 600m apart both within a very broad SP anomaly.

In terms of the potential size of the Chanape porphyry system (including both porphyry centres), there is strong correlation between the position of the known porphyries and the position of twin bell-shaped chargeability anomaly (Figure 9 insert). The chargeability anomaly is 2.5km x 1km in size. The inference is that the porphyry system has a similar dimension.

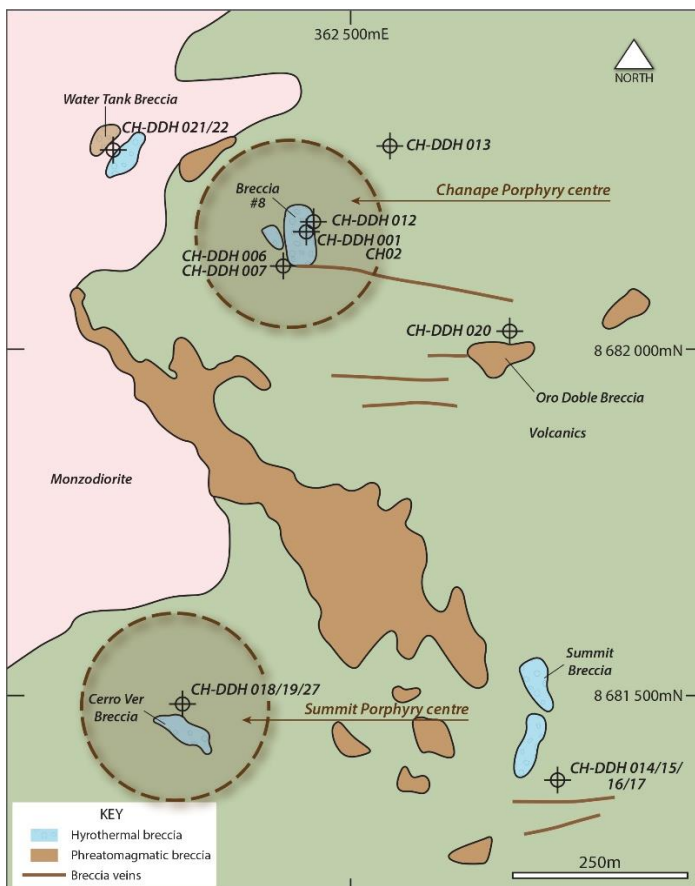


Figure 9: **LEFT** Plan showing the location of drilling (CH-DDH018, CH-DDH019 and CH-DDH027) and the Chanape and Summit Porphyry centres (schematically represented as a circular zone, projected to the surface). The position of the porphyry centres closely correlate to the two chargeability centres (Inserted below).

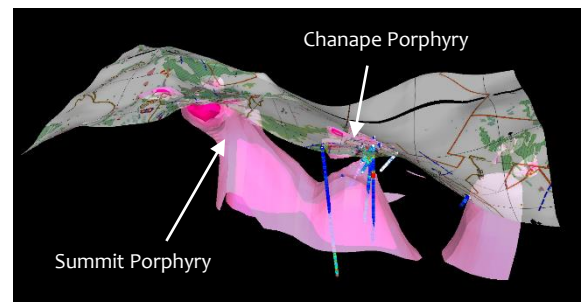


Figure 9 Insert **ABOVE**: Chargeability anomaly (pink)

Large to super-sized porphyry deposits (>500 million tonnes) characteristically comprise multiple porphyry intrusions (or “stocks”) which are emplaced over a long geological time. The multi-phase emplacement of porphyry stocks often creates multiple episodes and zones of mineralisation, either directly (as ore-material themselves) or indirectly through the creation of other ore-materials, such as breccia pipes, veins, mantos and skarns. The 2.15Mt Toromocho porphyry mine located 30kms NE of Chanape, to which Chanape has already been likened, possesses this multifaceted style of mineralisation.



The porphyry exploration model (“model”), first proposed for Chanape in 2012, is affirmed in the September 2015 quarter results. The model can be used to shape exploration strategies and individual programmes. It is both a predictive tool and a broad-based comparative. The applicability of the model therefore confirms the *bona fides* of Chanape as an exceptional porphyry exploration project.

In summary, Chanape hosts a multi-phase, well-preserved porphyry system comprising:

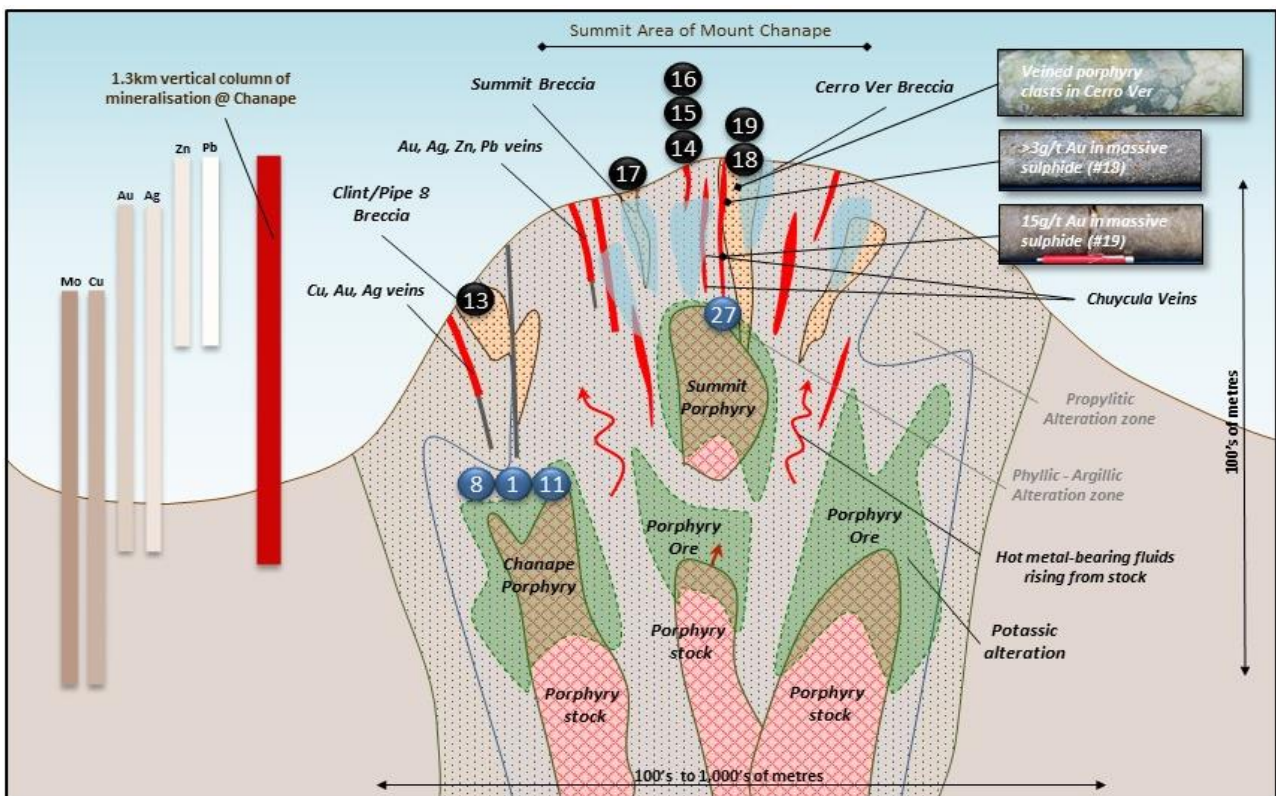
- Epithermal Au-Ag±Cu±Mo±Pb±Zn±W mineralisation in veins, breccia pipes and marginal volcanics, and
- Porphyry Cu-Mo-Ag±Au mineralisation in quartz monzonite porphyry

as defined by the *Spontaneous Potential* anomaly and closely coincident double-bell shaped chargeability anomaly the porphyry system is approximately 2.5km x 1.0km in size;

and in this quarter:

- The Clint Breccia was confirmed as a high grade breccia body that warrants resource calculations
- The high gold grade Chuycula Vein was discovered (with possible parallel repeats)
- A second porphyry was discovered (the Summit Porphyry).

Figure 10: **BELOW** The Porphyry Exploration Model for Chanape, showing the characteristic vertical metal zoning (left columns), schematic representation of Chanape in cross-section (NW-SE projection), known and hypothesized surface and sub-surface features including veins, breccia pipes, porphyry stocks and zones of mineralisation. Numbered circles represent approximations of drill hole positions.





NEW PROJECTS

Cerro Rayas Zinc Project (post quarter event)

In line with the Company's desire to supplement its project portfolio, the Company acquired an option to acquire the Cerro Rayas Zn-Pb-Ag project. It is located 130km SE of Chanape and 60km SW of the provincial capital of Huancayo, within the Miocene Skarn Belt of central and northern Peru. It hosts three groups of old mine workings called Wari, Torrepata and Vilapuqueo. Zn-Pb-Ag mineralisation at Cerro Rayas is associated with replacement-veins within brecciated carbonate host rocks.

As part of its preliminary due diligence Inca undertook a sampling programme to confirm the mineralisation at the Wari and Torrepata mine workings. The Wari Mine is the largest of the three workings at Cerro Rayas. Numerous drives provide access to a zone of mineralisation up to 5m in true width. Peak values from Inca's rock chip sample programme include: M184109: **41.59 % Zn and 0.42% Pb**. Mineralisation at Torrepata occurs as a near-massive sulphide vein up to 2m across: M184112: **32.07 % Zn and 20.19% Pb and 349g/t Ag**.



Figure 11: **ABOVE LEFT** Rock sample from the Torrepata Mine showing secondary zinc mineralisation (possibly smithsonite). **ABOVE RIGHT** Rock sample of the principal vein mined at Torrepata Mine showing zinc and lead sulphides.

CORPORATE ACTIVITIES

Resource Capital Fund Becomes Substantial Shareholder

On 18 August 2015 the Company placed and subsequently issued 130,000,000 shares at \$0.01 per shares to Resource Capital Fund VI ("RCF") under the ASX Listing Rule 3.10.5 and Section 708A(5)(e) of the Corporations Act. RCF is a group of commonly managed private equity funds, established in 1998, with a mining sector specific investment mandate spanning all hard mineral commodities and geographic regions. The \$1.3M raised is to be directed to the exploration of Chanape and working capital.



Rights Issue & Placement Completed this Quarter

The Company completed a rights issue this quarter with a take-up of approximately 87%. Eligible shareholders were invited to subscribe to a fully underwritten renounceable pro-rata entitlement (1 new share for every 3 shares held in Inca) at a price of \$0.01 per share. In addition, and concurrent with the rights issue, the Company completed a placement of 85 million shares at a price of \$0.01 per share. Total funds raised of \$3M (before underwriter commissions) are to be directed toward exploration of the Chanape project and working capital.

UPCOMING ACTIVITIES

Chanape Project

The Company expects to receive assay results for drill hole CH-DDH027 by mid-November (as of the date of this quarterly report).

Highly encouraged by the discovery of a second porphyry at Chanape and the high gold grade Chujcula veins, both discoveries in the summit area of the project, the Company is continuing its drill programme at Chanape. Current drilling is focussed on following up extensions of these exciting new targets.

Due diligence will continue at Cerro Rayas, the Company's new zinc-lead-silver project (in Peru). Other new projects are also being assessed.

Ross Brown

Managing Director
23 October 2015

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 September 2015 Quarter and to 13 October 2015

ASX Announcements	Price Sensitive	Date Announced	Competent Person
Letter to Foreign Shareholders – Pro Rata Entitlement Offer	No	1 July 2015	
Letter to Eligible Shareholders – Pro Rata Entitlement Offer	No	1 July 2015	
Drilling Recommences at Chanape	Yes	7 July 2015	Ross Brown
Inca Rights Issue Successfully Completed	No	20 July 2015	
Chanape Drilling and Company Update	Yes	23 July 2015	Ross Brown
Inca Capital Raising Update and Appendix 3Bs	No	27 July 2015	
Appendix 3B – Completion of Placement Issue	No	29 July 2015	
June 2015 Quarterly Activities Report	Yes	29 July 2015	Ross Brown
Appendix 5B June 2015 Quarter	Yes	29 July 2015	
Appendix 3Y – Change in Director Interest	No	29 July 2015	
Chanape Drilling and Assay Update	Yes	17 August 2015	Ross Brown
Inca Secures \$1.3m Investment from Global Mining Fund	Yes	18 August 2015	
Trading Halt	Yes	19 August 2015	
68m of 1.98% Copper Plus Gold & Silver in 1 st Drill Hole	Yes	20 August 2015	Ross Brown
Share Placement to RCF – Notice Under ASX Listing Rules	No	20 August 2015	
Appendix 3B – RCF Placement	No	21 August 2015	
Becoming a Substantial Shareholder	No	21 August 2015	
New Breccia Intersected in Latest Drilling	Yes	1 September 2015	Ross Brown
Inca Annual Financial Report YE 30 June 2015	No	24 September 2015	
Chanape Update	Yes	24 September 2015	Ross Brown
Trading Halt	Yes	28 September 2015	
High Grade Gold Vein Intersected	Yes	29 September 2015	Ross Brown
Trading Halt	Yes	30 September 2015	
Pervasive Gold Mineralisation at Chanape's Oro Doble	Yes	30 September 2015	Ross Brown
Post-Quarter Announcements Referenced in September 2015 Quarterly Report			
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
