



24 October 2018

INCA FIRST-MOVER FOR BATTERY METALS IN EAST TIMOR

HIGHLIGHTS

- Exploration licence applications lodged in East Timor for three battery-metal projects
- New projects include:
 - The Manatuto Nickel-Cobalt-Chromite (**Ni-Co-Cr**) Project
 - The Ossu Cobalt-Gold-Silver-Copper (**Co-Au-Ag-Cu**) Project
 - The Paatal Vanadium-Phosphate (**V- P₂O₅**) Project
- First-mover advantage significant in under-explored but highly prospective country

Inca Minerals Limited (**Inca** or the **Company**) has lodged applications for three Exploration Licences (**EL**) in the Democratic Republic of Timor-Leste (**East Timor**). The ELs pertain to three projects which provide Inca with battery metal opportunities as well as precious/base metals and food-related commodities.

Inca is the first mineral exploration company to apply for mineral exploration projects in East Timor¹. Inca's assessment of the region and potential project areas commenced in May 2018 and included due diligence, detailed research and a number of field trips to East Timor. Benefiting from first-mover advantage and the assistance of key stakeholders, the process has now resulted in Inca generating the Manatuto Ni-Co-Cr Project, the Ossu Co-Au-Ag-Cu Project and the Paatal V-P₂O₅ Project.

East Timor

East Timor occurs on a tectonic plate margin between Australia (south) and South East Asia (north). Geologically, East Timor comprises sedimentary rocks, mainly limestones, that have been thrust upwards by plate tectonics, with a basement of older Banda Arc igneous and metamorphic rocks (Figure 1). Plate tectonics and erosion have subsequently shaped East Timor into a narrow island with a central ridge of old and young rocks.

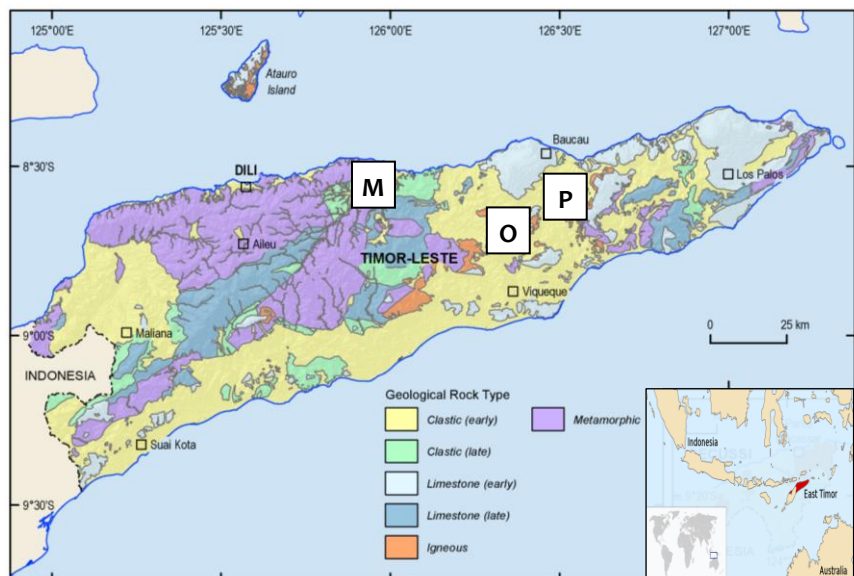


Figure 1 ABOVE: Location (north of Western Australia) and simplified geology of East Timor and the approximate location of Inca's Manatuto (M), Ossu (O) and Paatal (P) projects. The rocks (coloured orange and purple) belong to Banda Arc terrain.

The mineral potential of East Timor is largely undocumented but a small review was conducted by the United Nations in 2003 (**UN Report**). Ni, Cr, Au, Cu, P₂O₅ and manganese (**Mn**) were highlighted with several subsequent

¹ Excluding a small Special Administrative Region known as Oecussi.



Table 1 **BELOW:** Project and exploration licence application details.

Project Name	Tenement Type	Centre Location Latitude	Centre Location Longitude	Area	Target Commodity
Manatuto	Exploration Licence Application	8° 29' 55" S	125° 56' 30" E	25sqkm	Ni-Co-Cr-Cu-Au
Ossu	Exploration Licence Application	8° 45' 40" S	126° 21' 49" E	25sqkm	Co-Au-Ag-Cu-Zn
Paatal	Exploration Licence Application	8° 36' 17" S	126° 35' 03" E	25sqkm	V-P ₂ O ₅

deposit models deemed applicable as exploration guidelines including ophiolite sulphides, podiform Cr, VMS, and up-welling phosphate.

Manatuto

The Manatuto project area under Inca’s EL application is located inland from the northern coastline of East Timor, 40km east of Dili - the country’s capital city (Figure 1). It is accessed via a sealed national highway.

Manatuto is considered prospective for Ni-Co-Cr-(±Cu+Au) mineralisation. It comprises a sequence of ultramafic rocks (ophiolites) of the Banda Arc which form the broad target area for the above metals. **The project area hosts known podiform Cr mineralisation extending over a 2,500m strike length with grades between 35% and 51% Cr** in prior sampling (UN Report) (Figures 2 & 3) and several quartz vein occurrences.



Figure 2 **ABOVE:** Ultramafic ridge along which Cr mineralisation is known.

The Company will test the occurrence of ophiolite-sulphide Ni-Co-Cu mineralisation associated with the ophiolite sequence, the gold associated with the quartz veins and the significant Cr mineralisation previously reported.

Ossu

The Ossu project area within Inca’s EL application is located 14km north of the provincial town of Viqueque, 80km southeast of Dili (Figures 1 & 3). It is accessed via a sealed national highway.

Ossu is considered prospective for Co, Au, Ag, Cu and Zn mineralisation. Ossu comprises Banda Arc ultramafics and hosts known massive sulphides. **Mineralisation at grades of 3.0 to 4.0g/t Au, 70.0g/t Ag and 10% Cu** have been recorded (UN Report) in large *in situ* boulders within the Ossu project area. It is highly prospective for several metals applying several exploration models including, but not limited to Cyprus-style and Besshi-style VMS deposits.

“We have a genuine first-mover advantage in East Timor and will leverage this to launch a campaign which explores some of the country’s best known mineral occurrences” says Inca’s Managing Director, Mr Ross Brown.



In terms of gold and silver mineralisation at Ossu, the Lerokis and Kali Kuning Au-Ag deposits (2.2Mt at 5.5g/t Au + 146g/t Ag and 2.9Mt at 3.5g/t Au + 114g/t Ag respectively) on Wetar Island, Indonesia, serve as analogues for the Ossu Project. Wetar is located immediately north of East Timor within Banda Arc terrain.



Figure 3 **ABOVE LEFT:** Manatuto Project EL location plan. **ABOVE RIGHT:** Ossu Project EL location plan.

Paatal

The Paatal project area within Inca's EL application is located 15km south of the northern coastal town of Baucau, 100km east of Dili (Figures 1 & 4). It is accessed via a sealed national highway and gravel roads.

Paatal's target area is considered prospective for phosphate and vanadium mineralisation with the UN Report indicating the target area hosts phosphate rocks grading between 9% and 22% P₂O₅.

The phosphate mineralisation at Paatal is characteristic of sedimentary marine or upwelling-style phosphate deposits. The phosphate occurs in unconsolidated marine sediments (limestones, marls, shales) as dark brown nodules.

As well as following up on the significant phosphate mineralisation, the Company plans to test the occurrence related vanadium mineralisation. As is the case in the US and Peru, vanadium and phosphate may occur together under certain depositional conditions.

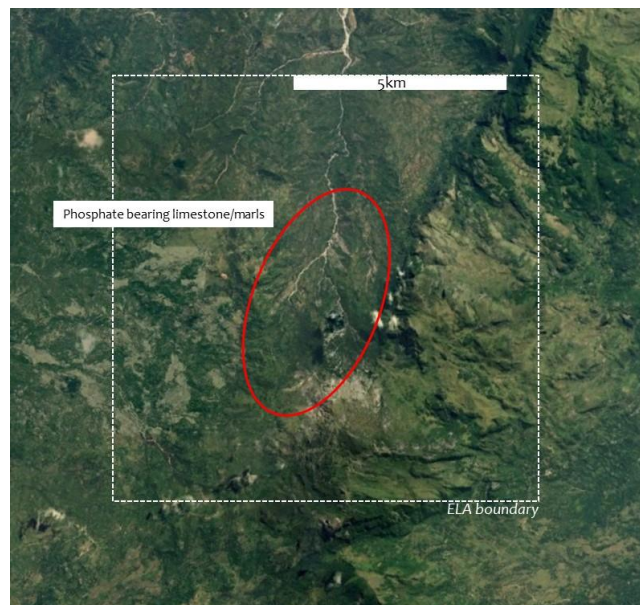


Figure 4 **ABOVE:** Paatal Project EL location plan.



Exploration Strategy

As described in ASX announcement 22 October 2018, the Board has pursued and remains open to opportunities particularly where projects provide a diversification in commodity and/or region. The Board has been particularly interested in commodities with an attractive supply-demand equation, and global regions with acceptable sovereign risk.

Inca's Managing Director, Mr Ross Brown said "With first-mover advantage, East Timor fully satisfies the Company's strategy being highly prospective for battery metals (Co and V), precious and base metals (Au, Ag, Cu, Zn, Cr) and food-related minerals (P₂O₅). Underexplored, a receptive government and regulatory regime and proximal to Western Australia, East Timor provides an unparalleled opportunity for Inca."

The exploration strategy for East Timor is like that deployed with the Company's current projects in Peru. After the tenements are granted, the Company plans to conduct exploration geared for discovery and, if successful, project rerate. Exploration is planned to initially focus on known forms of mineralisation and test battery metal occurrences. Reconnaissance, various phases of sampling, followed by drilling is the projected exploration pathway. With respect to Paatal, the P₂O₅ deposit that is already known within the EL application area will, if exploration proves successful, be fast-tracked for trial mining as a bulk commodity.

Competent Person Statements

The information in this report that relates to past exploration results and mineralisation for the Manatuto, Ossu and Paatal projects located in East Timor, 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 exploration results and 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 fulltime employee of Inca Minerals Limited and consents to the report being issued in the form and context in which it appears.