



12 June 2019

DETAILS OF MACAULEY CREEK AND LORNA MAY PROJECT MOU'S

IN THIS ANNOUNCEMENT

- *Details of MaCauley Creek Memorandum of Understanding*
- *Details of Lorna May Memorandum of Understanding*
- *Brief project summary of MaCauley Creek and Lorna May*

With reference to Inca Minerals Limited's (**Inca** or the **Company**) ASX announcement dated 11 June 2019, we are pleased to provide details of the Memorandum of Understanding (**MOU**) for Inca's new Australian projects MaCauley Creek Copper-Gold Porphyry Project (**MaCauley Creek**) and Lorna May IOCG Project (**Lorna May**). MaCauley Creek is located in Queensland and comprises two tenement applications (EPM27124 and EPM27163). Lorna May is located in the Northern Territory and comprises one tenement application (EL32107).

MaCauley Creek MOU

The parties to the MaCauley Creek Copper-Gold Porphyry Project MOU are Inca and MRG Resources Pty Ltd (**MRG**). It is open-end but which can be terminated by either party giving one-months' notice. The MOU provides agreed terms and conditions for the acquisition by Inca from MRG of the MaCauley Creek Project to be negotiated in good faith. These terms and conditions are:

- Inca to acquire 90% of MaCauley Creek by meeting exploration commitments of EPM27124 and EPM27163 with the following annual breakdown:
 - Year 1: \$75,000
 - Year 2: \$195,000
 - Year 3: \$325,000
 - Year 4: \$400,000
 - Year 5: \$500,000
- Inca to repay MRG costs associated with the development of the project and the tenement applications. That amount is \$55,000.
- MRG has a 10% free-carry to Bankable Feasibility Study after which a 90:10 Inca/MRG joint venture will be formed.
- MRG has a 1.5% net smelter royalty.

Lorna May MOU

The parties to the Lorna May IOCG Project MOU are Inca and MRG. It is open-end but which can be terminated by either party giving one-months' notice. The MOU provides agreed terms and conditions for the acquisition by Inca from MRG of the Lorna May Project to be negotiated in good faith. These terms and conditions are:

- Inca to acquire 95% of Lorna May by meeting exploration commitments of EL32107 with the following annual breakdown:
 - Year 1: \$47,500
 - Year 2: \$72,500



- Inca to repay MRG costs associated with development of the project and the tenement application. That amount is \$1,000.
- MRG has a 5% free-carry to Bankable Feasibility Study after which a 95:5 Inca/MRG joint venture will be formed.
- MRG has a 1.5% net smelter royalty.

Inca's New Australian Project Portfolio

MaCauley Creek and Lorna May represent Inca's foray into Australia in the pursuit of large-scale, or tier-1 scale mineral deposits. The Company has focussed on early-stage exploration opportunities with tier-1 credentials within known and developing porphyry-IOCG provinces in Australia. MaCauley Creek is located 75km west of Townville and Lorna May is located 300km east of Alice Springs (Figure 1).

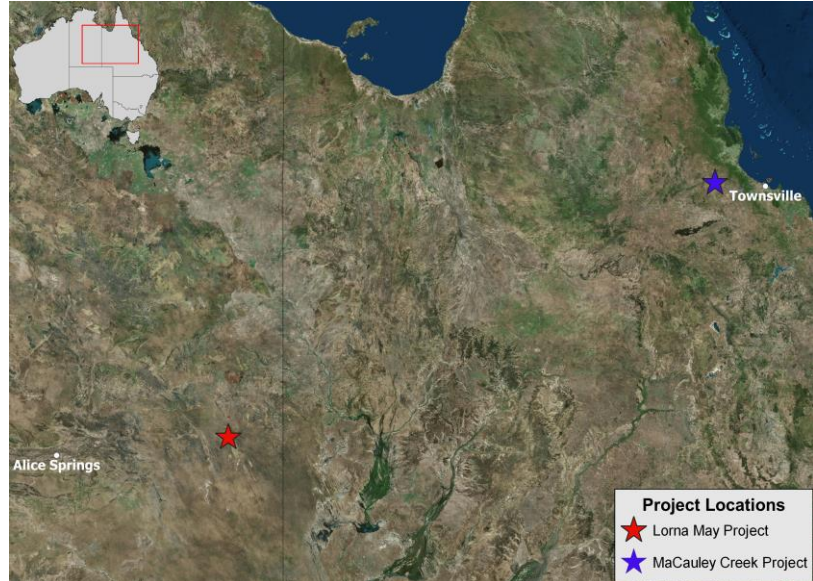


Figure 1 **RIGHT:** Location plan of MaCauley Creek and Lorna May.

MaCauley Creek has a total area of 359km² and hosts multiple indications of a mineralised porphyry system. Broad-scale indicators include porphyritic stocks and dykes, widespread alteration, regional structure and large-scale geophysical anomalies. Prospect-scale indicators include localised Cu, Ag, Zn and Pb mineralisation, including bornite and chalcopyrite, and the occurrence of veins, veinlets and stockwork zones.

Lorna May has a total area of 786km² and hosts several major conductive anomalies that strongly correlate to multiple magnetic and gravity anomalies, that define a corridor approximately 7km long which is considered highly prospective for buried IOCG-style deposits.

For further details of each project, please refer to ASX announcement dated 11 June 2019.

Competent Person Statement

The information in this report that relates to exploration results and mineralisation for the MaCauley Creek and Lorna May project areas, located in Australia, is based on information reviewed and 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, 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.