



17 July 2020

INCA AWARDED CO-FUNDING GRANT FOR IOCG EXPLORATION IN THE EAST TENNANT MINERAL PROVINCE – NORTHERN TERRITORY

Inca Minerals Limited (**Inca** or the **Company**) is pleased to announce that it has been awarded a co-funding grant from the Northern Territory Department of Primary Industry and Resources (**NTPIR**) of one hundred thousand dollars (\$100,000) under its Geophysics and Drilling Collaborations Program. The funds are to be used in the completion of the Company's planned airborne magnetic and radiometric geophysical survey (**AMAGRAD**) that covers several Iron Ore Copper Gold (**IOCG**) targets at the Company's Frewena Fable and Frewena Far East Projects in the new and priority East Tennant Mineral province.¹

About The Geophysics and Drilling Collaborations Program

The Geophysics and Drilling Collaborations (**GDC**) program is part of the Northern Territory (**NT**) Government's \$26 million "Resourcing the Territory" initiative and is aimed at increasing exploration in Greenfield areas of the NT. It provides for co-funding of approved drilling and geophysical acquisition projects where the outcomes are expected to improve geological knowledge and mineralisation targeting within a region, particularly at depth.

The GDC program is administered by the Northern Territory Geological Survey (**NTGS**).

Co-funding is available for up to half of the eligible direct program costs capped at \$125,000 per diamond drilling project; and \$100,000 per reverse-circulation drilling or geophysical acquisition projects. Assessment of the application focusses on the technical merits of the project and its capacity to broaden geological knowledge and promote innovative exploration techniques, particularly in greenfield areas of the NT. With respect to geophysical acquisition projects, such as that of the proposed by the Company, among other criteria, the survey must cover a minimum area of approximately 500 km² and improve the resolution / quality of existing regional scale data in the area.

The awarding of the GDC grant to Inca validates the utility of the proposed AMAGRAD survey (described below) in terms of exploration development of the NT and, by extension, the opportunity to uncover new mineral deposits. Frewena Fable and Frewena Far East are located within the recently recognised East Tennant IOCG region. It goes without saying both the NT Government and Inca would be pleased with the possible discovery of an IOCG deposit within the Company's project areas.

The AMAGRAD Survey

The AMAGRAD survey covers two areas totalling 1,182km² with line spacing of 50m (Figure 1). A total of 13,227 line-kilometres are planned for Frewena Fable (Figure 2) and total of 12,661 line-kilometres are planned for Frewena Far East (Figure 3), for a survey total of 25,888 line-kilometres. The purpose of the AMAGRAD survey is to detect geophysical responses characteristic of mineralised hydrothermal systems, including, but not limited to, IOCG deposits.

The East Tennant IOCG region rose into prominence as an exploration destination (resulting in a "pegging rush") in response to very positive results of GA/NTGS-funded seismic, magnetotelluric, and airborne electromagnetic geophysical surveys. These regional studies resulted in the recognition of the East Tennant Ridge and with subsequent modelling, the recognition of the East Tennant IOCG region (Figure 4). The company's exploration tenements, as shown in Figure 4, lie within the area that is rated as highly prospective for IOCG deposits.

¹ This announcement does not contain new exploration results. The purpose of this announcement is to make public the awarding of the GDC grant to Inca only. Additional information is provided to describe the AMAGRAD survey, for which the grant is awarded.



The company expects to commence this AMAGRAD survey later this year and to have survey data processed and reported in early 2021. This survey, if it identifies a number of strong targets, will clearly advance the prospectivity of the project areas and assist the company in its strategy of seeking an early JV partner to progress further exploration.

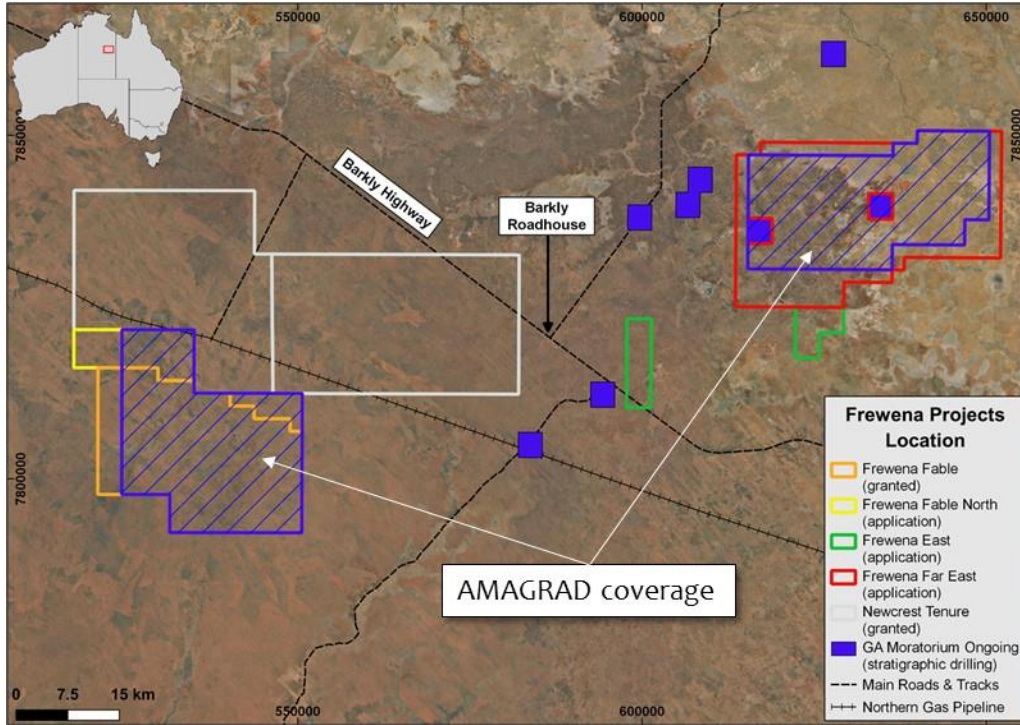


Figure 1 ABOVE: Location plan showing the AMAGRAD survey coverage across the Frewena Fable and Frewena Far East Projects.

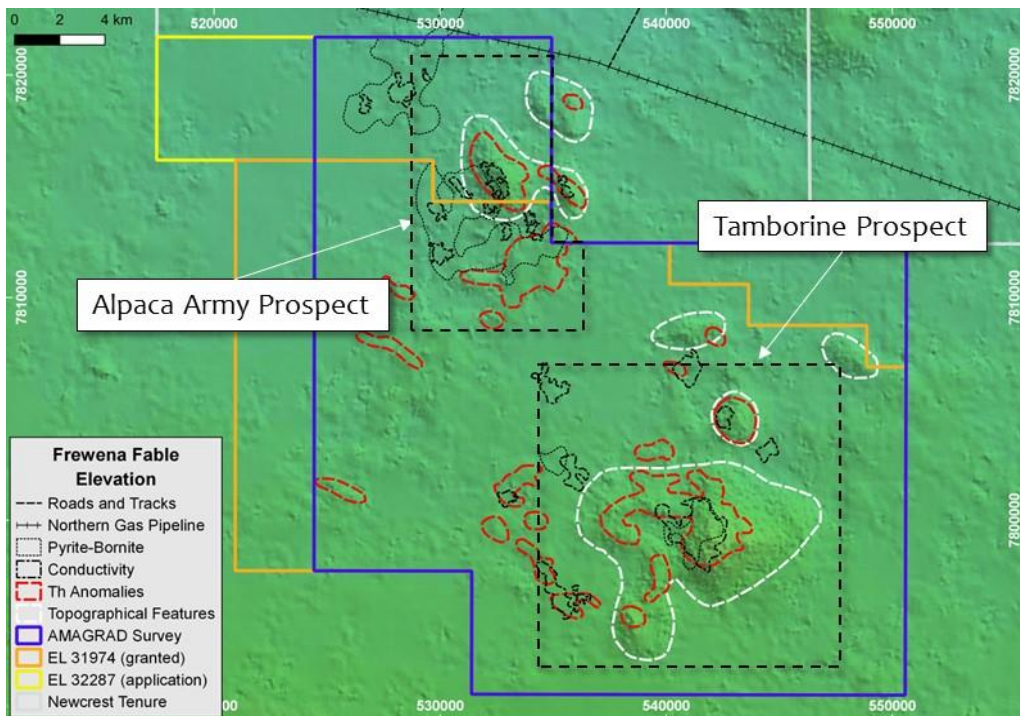


Figure 2 ABOVE: Frewena Fable location plan showing the AMAGRAD survey coverage and principal known prospect areas. Both prospects are IOCG targets and comprise coincident topographical, radiometric (thorium) and ASTER (conductivity and pyrite-bornite interpretation) anomalies. The proposed AMAGRAD survey covers both prospects.

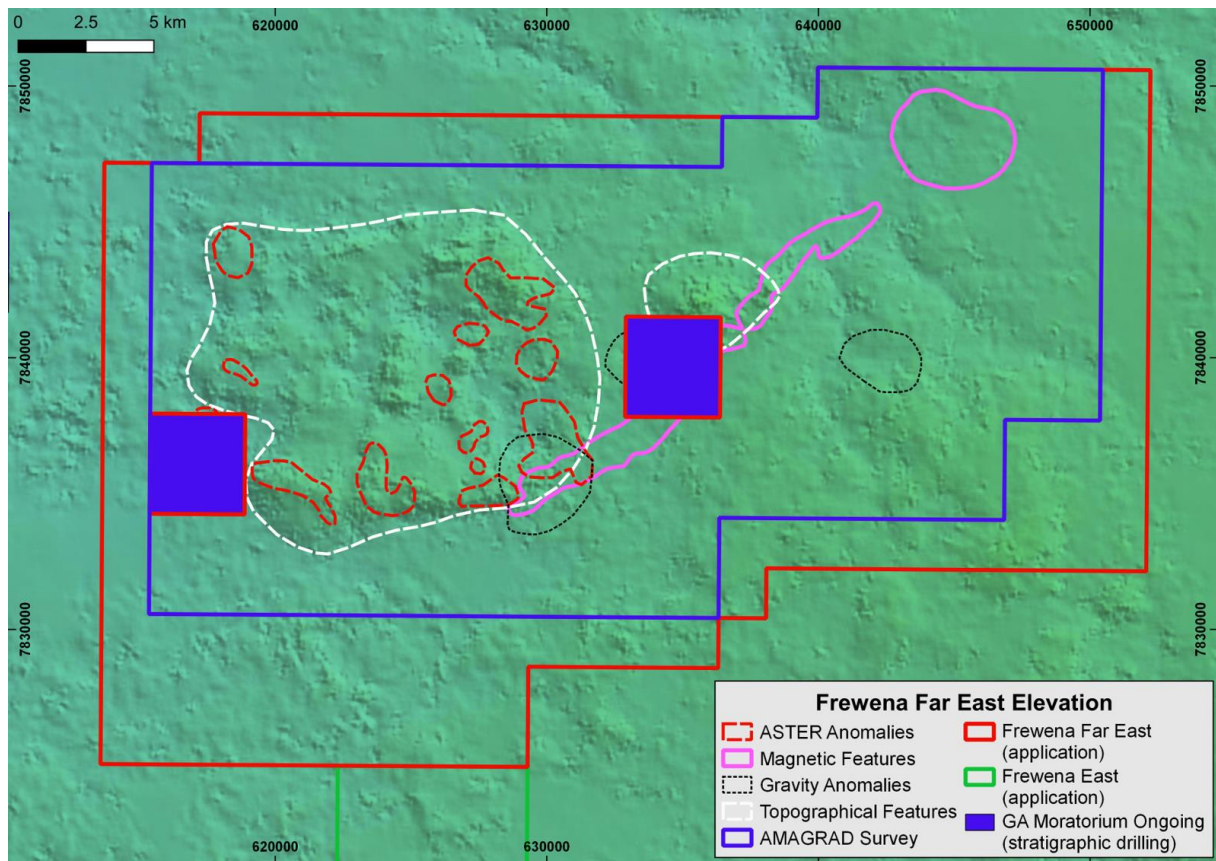


Figure 3 **ABOVE**: Frewena Far East location plan showing the AMAGRAD survey coverage. The AMAGRAD survey covers the very large central-west target that comprises coincident topographic, magnetic, gravity, radiometric and ASTER anomalies.

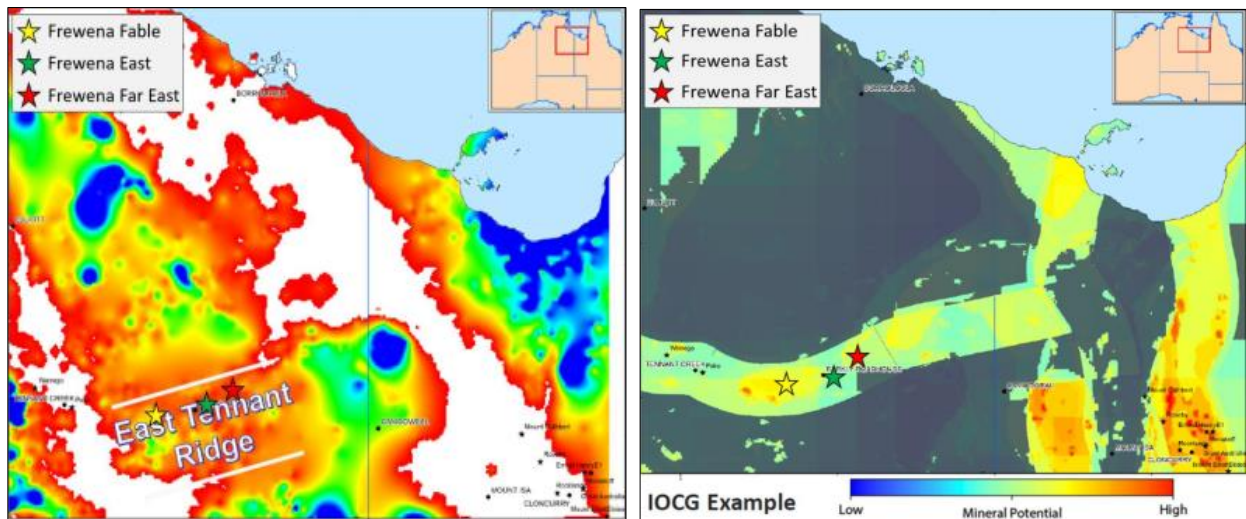


Figure 4 **ABOVE LEFT**: Depth to basement along the East Tennant Ridge as modelled by GA/NTGS (after Czarnota, 2019); **ABOVE RIGHT**: Modelled IOCG mineral potential within the East Tennant region (after Murr, 2019).



Broader AMAGRAD Discussion and Project Development Strategies

Inca's AMAGRAD survey for the Frewena Projects, now co-funded by the NTGS and planned for 2020, is the same type of geophysical survey as that deployed to great and long-lasting effect at Riqueza. The AMAGRAD survey at Riqueza was externally funded and resulted in the generation of 24 targets, many of which have been upgraded to large-scale porphyry and skarn drill targets (ASX announcement 30 June 2020).

For the sake of comparison only, the AMAGRAD survey at Riqueza covered 83km² and comprised 1,890 line kilometres. As mentioned above, the AMAGRAD survey at Frewena will cover 1,182km² and comprise 25,888 line-kilometres.

As the Riqueza example indicates, AMAGRAD surveys are effective in the identification of geophysical signatures of potential tier-1 deposits. At Riqueza, the targets are primarily porphyry and skarn mineralisation. At Frewena, the target is primarily IOCG mineralisation.

In this way, Inca seeks to replicate the strategy, not only by way of external funding, but in exploration method and, what is anticipated, exploration outcome.

Sincerely,

Ross Brown
Managing Director
Inca Minerals Limited

Competent Person's Statements

The information in this report that relates to exploration activities for the Riqueza Project, located in Peru, the MaCauley Creek Project, located in Queensland, and the Frewena Group Projects, located in the Northern Territory, 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 exploration activities, 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.