



16 February 2021

AUSTRALIAN GEOPHYSICS PROGRAMS UPDATE

On behalf of Inca Minerals Limited (**Inca** or the **Company**) I would like to provide a progress report on the independent assessment and interpretation of geophysical data acquired for both the Frewena Group Project (**Frewena**) and the MaCauley Creek Project.

The Frewena Geophysics Program

The Company has released several ASX announcements concerning our co-funded airborne magnetic and radiometrics (**AMAGRAD**) survey flown at Frewena Fable and Frewena Far East.

- ASX announcement of 10 September 2020: Government co-funding approval;
- ASX announcement of 9 November 2020: AMAGRAD survey commences;
- ASX announcement of 30 November 2020: AMAGRAD survey completed; and
- ASX announcement of 15 January 2021: Interim results and timeline for final interpretations.

Inca has now been advised by the independent geophysical consultant that the interim Frewena AMAGRAD interpretation (covering the entire survey area) is expected to be ready by middle to end-March 2021. Given that a preliminary in-house review of the raw data collected by the AMAGRAD survey identified a number of potential new anomalies, as discussed in earlier ASX releases (Figure 1), the company is looking forward to the final report. A final AMAGRAD interpretation is now expected to be ready by middle to end-May 2021.

The delays in the reports are due to the material increase in exploration expenditure across the sector, a lot of which is directed to airborne geophysical surveys. The consultancy charged with the responsibility of producing the final AMAGRAD interpretation is facing a tremendous workload. The exacting and specialist nature of this work is such that it cannot be hastened. The Company is cognisant of this but wishes to inform our shareholders of this fact. Timelines cannot be precise because the time taken to complete each interpretation is proportional to the number of geophysical anomalies, which are not known when the work is scheduled.

Whilst it is frustrating that the delivery of the geophysical interpretation is taking longer than originally expected, it is important to remember that this information will be critical in planning and prioritising the next stages of exploration at both Frewena Fable and Frewena Far East. As such, it is important that this work is not rushed or done to a less exacting standard. This information will also be some of the first detailed and close spaced aerial geophysical work undertaken in the East Tennant area and so it is important to ensure that the work is done properly.

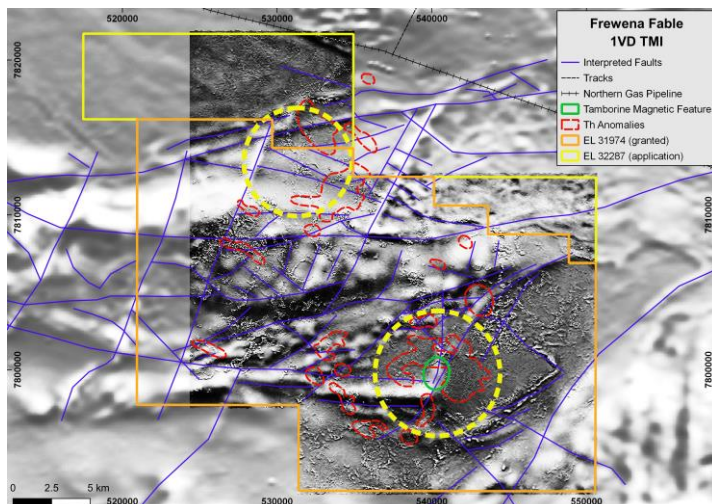


Figure 1 **LEFT**: An in-house interpretation first appearing in ASX announcement of 15 January 2021. First vertical derivative TMI image derived from the detailed AMAGRAD survey over Frewena Fable. The structural fabric of the project area shows large-scale (regional) E-W and ESE-WNW trending structures and a series of cross-cutting NE-SW structures. Also shown are radiometric (thorium) anomalies (red dashed lines) and, specifically, the Tamborine magnetic anomaly (green line).



It is also important to understand that a survey with multiple anomalies will take materially more time than a survey with no anomalies, as alluded to above. Our shareholders will remember the long wait for the Riqueza AMAGRAD interpretations (conducted by the same consultancy) which produced over forty targets worthy of follow-up. These targets formed the basis of, and shaped all further work at Riqueza including a geochemical soil sampling program and an Induced Polarisation program. Many of the original AMAGRAD targets at Riqueza will be drill tested in the coming months.

The MaCauley Creek Geophysics Program

The Company has previously released two ASX announcements concerning geophysical programs at MaCauley. Whereas with Frewena the Company acquired new data by flying the AMAGRAD survey, at MaCauley Creek, the Company had secured access to existing/historical data (archival company [pre-Inca] and Government data).

- ASX announcement of 4 May 2020: Interim interpretations of data identifying three anomalies possibly related to porphyry intrusion – of the southern part of MaCauley Creek; and
- ASX announcement of 28 September 2020: Interim interpretations of data identifying three additional anomalies possibly related to porphyry/skarn intrusion – of the northern part of MaCauley Creek.

The Company similarly advises that the delivery the final results of this work for MaCauley Creek has also delayed with the final geophysics interpretation now expected to be ready by middle to end-March 2021. The Frewena work, with the requirement to ensure co-funding obligations were met, has partly resulted in MaCauley Creek being rescheduled. This should not be viewed as reduced prospectivity. On the contrary, our announcements are reporting an increased prospectivity based on interim interpretations. For those shareholders who are keen “MaCauley Creek Fans” I apologise for the delay.

Other Updates

I will provide regular updates concerning the Riqueza drill permits. The remaining permits are the Certificate to Commence Work and the Water Permit. These have been submitted and being processed. The drill holes for the FTA program (the first program, or Phase 1 drilling) at the NE Area are all designed.

Ross Brown
Managing Director
Inca Minerals Limited

Competent Person’s Statements

The information in this report that relates to exploration activities for the Frewena Fable and Frewena Far East project, located in the Northern Territory; and the MaCauley Creek Project, located in Queensland, 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.