23 September 2020

GOVERNMENT DRILLING COMMENCES NEAR COMPANY'S FREWENA IOCG PROJECT – EAST TENNANT, NT

Inca Minerals Limited (**Inca** or the **Company**), wishes to comment on various media reports and press releases pertaining to the East Tennant Area of the Northern Territory **that have a direct bearing on our Frewena Group Project.**

On 16 September, MinEx CRC – an Industry-Government-Research collaboration – announced commencement of stratigraphic drilling in the East Tennant region as part of the National Drilling Initiative (**NDI**). **Some of this drilling occurs in an enclave within and surrounded by the Company's Frewena Far East Project** (Figure 1).

Link: https://minexcrc.com.au/press-release-world-first-minex-scientific-drilling-program-set-to-reveal-australias-hidden-wealth/

The NDI forms part of the Government led, four-year precompetitive geoscience program *Exploring for the Future* (**EFTF**), and is described by MinEx CRC as "*a world-first scientific drilling program that aims to sample rocks from undercover and unexplored regions of Australia to better understand the evolution of the Australian continent, provide clues about where to search for new mineral deposits and bring forward the next generation of mineral exploration technology*".

The NDI drill campaign in the East Tennant is designed to uncover evidence to support the existence of mineralising systems in the region and, by doing so, to encourage companies to explore for large-scale scale deposits in this, hitherto, under-explored area. It is anticipated up to 10 holes will be drilled of varying depths by MinEX CRC in the East Tennant, with the general location of holes shown by dark blue squares in Figure 1.

Of particular interest are two areas marked for drilling by MinEx CRC that are surrounded by Inca's EL 32293 application, which forms the Company's Frewena Far East Project (Figure 1). Inca has previously reported a large Iron Ore Copper Gold (**IOCG**)-like target at this project (ASX Announcement 20 February 2020) (Figure 1) and has reported iron-rich breccias and low-level geochemistry from Frewena Far East (ASX Announcement 24 February 2020) (Figure 1 INSERT). The stratigraphic drilling marks the latest campaign of a number of Government led pre-competitive exploration initiatives as part of the EFTF campaign in the East Tennant. These programs led to recognition of the East Tennant IOCG belt which resulted in a pegging rush by exploration companies in 2019. Inca was an early mover in this region and now holds >1,550km^2 of ground under granted and application exploration licences.

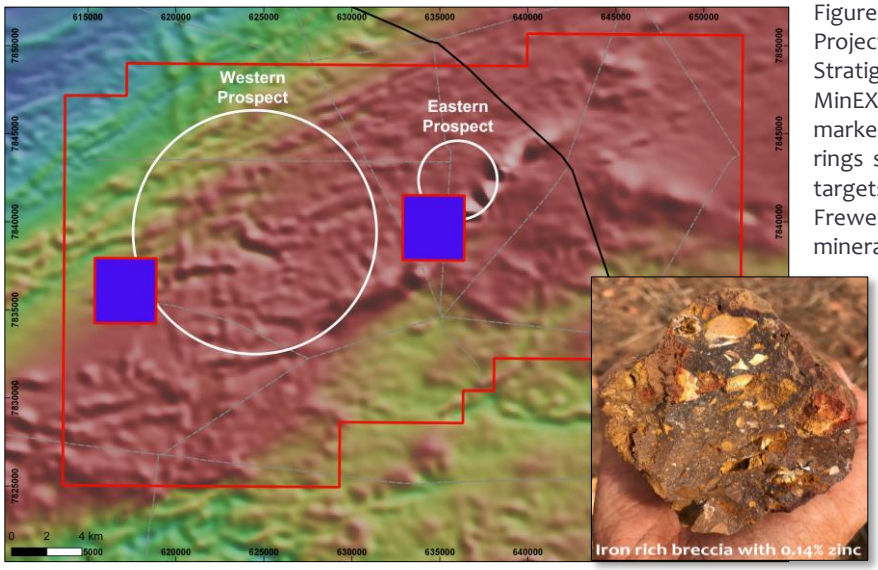

Figure 1 **LEFT:** Inca's Frewena Far East Project in the East Tennant IOCG region Stratigraphic drilling being undertaken by MinEX CRC is expected to occur in areas marked by dark blue squares. The white rings show the location of two IOCG-like targets. **INSERT:** Fe-rich breccia sampled at Frewena Far East with 0.14% zinc mineralisation.

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Media reporting of the NDI drill campaign and the greater EFTF program has been noted by the Company, with the EFTF program being credited with stimulating significant exploration activity across Australia.

In particular, the article *A New Era* published in the September edition of *Mining Monthly* provides an overview of the success of the program, describing the images from East Tennant shown in Figure 2 as *"arguably the defining images of the program's success"*. **The article provides images of geophysical targets that border and extend into the Company's project** (Figures 2 and 3).

The left image (of Figure 2) displays a modelled conductivity cross section derived from magnetotelluric (**MT**) surveying, which extends from surface to approximately 60km depth. A zone of high conductivity is seen extending upwards from the mantle and forms two discrete features in the near surface (red circles). These features correlate to major faults at surface as shown in the map on the right. The high conductivity features are thought to represent pathways of metal-rich fluids, with major faults and mantle derived fluids considered vital criteria for the formation of large-scale orebodies.

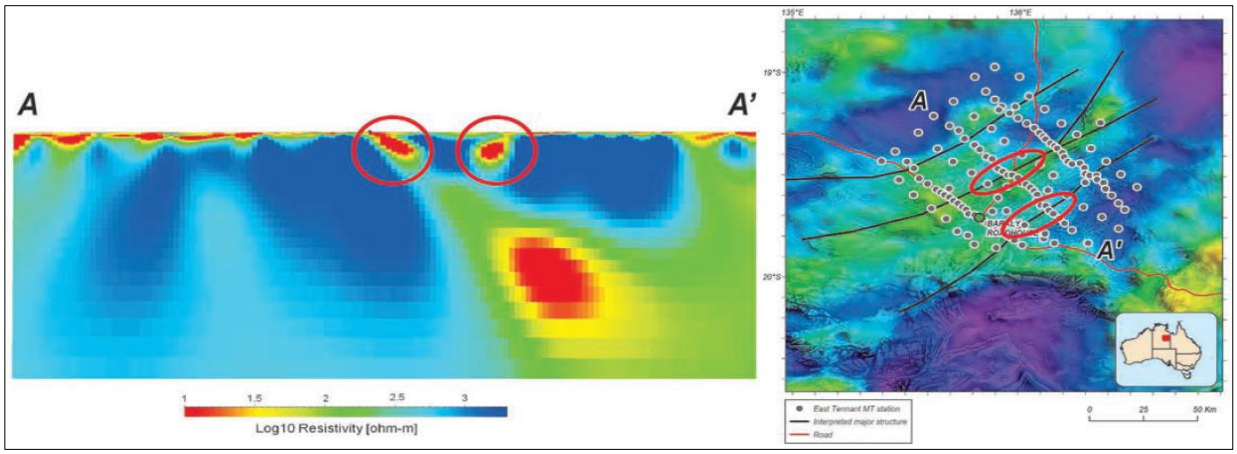

Figure 2 **ABOVE:** MT cross section (left) along transect A-A' from surface to approximately 60km depth shows a zone of high conductivity extending upwards from the mantle that forms two discrete features in the near surface (red circles). These features correlate to major faults as shown in the map (right hand image), and are thought to represent ancient pathways of potentially metal-rich fluids.

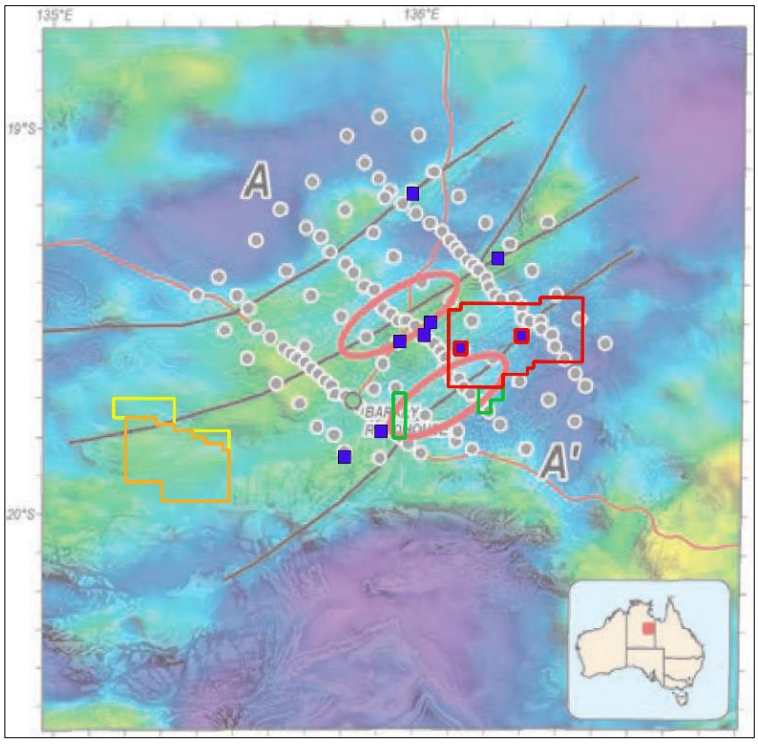

Figure 3 **LEFT:** Reproduction of map from Figure 2 showing Inca's tenure (colours as per Figure 1). The southern of the two MT conductivity features in the cross section of Figure 2 is seen to occur within the south west portion of the Frewena Far East Project. This feature corresponds to a major fault trending north east through the project and lies in proximity to areas to be drilled by MinEx CRC. Along this fault to the north east, Inca has previously reported iron breccias and low-level geochemistry.

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The southern near surface conductivity feature seen in the cross section of Figure 2 occurs in the south west portion of the Inca's Frewena Far East Project (Figure 3). This conductivity feature correlates to the major fault that trends north east through the Project and lies in proximity to areas marked for drilling by MinEx CRC.

Along the fault to the north east, Inca has previously reported iron-rich breccias and low-level geochemistry, as previously mention (above). In the central portion of the Project, an intense magnetic anomaly 18km by 1.25km in size coincides with the fault.

Although these deep-seated conductivity features are not conclusive proof of IOCG style mineralisation, similar style features have also been identified by MT surveying beneath major deposits including Olympic Dam in South Australia and Ernest Henry in Queensland. While additional exploration is required to test these features – and others – in the East Tennant region, their occurrence is considered significant and a validation of the EFTF program.

By this announcement, the Company seeks to address possible reactions to these and follow-on articles. It is clearly stated that the articles referred to above and other material written about the prospectivity of the East Tennant Area, were not commissioned by the Company. Whilst the Company's Frewena Fable, Frewena East and Frewena Far East are located within the East Tennant Area (referred to in the articles), and whilst these projects are highly prospective for IOCG deposits and have known walk-up IOCG targets, the Company clearly states that the projects are at an early stage of exploration and that no JORC-compliant Exploration Target (Chapter 17, JORC code 2012) currently exits on them.

Previous ASX announcements concerning the Frewena Group Projects include:

- New Porphyry and IOCG-focussed Projects in Australia (11 June 2019)
- Second IOCG-focussed Project Acquired in Northern Territory (13 August 2019)
- New Projects in the East Tennant IOCG Province (28 October 2019)
- NT Government Allocate Ground to Inca in Pegging Rush (13 February 2020)
- Inca Minerals East Tennant Exploration Model (20 February 2020)
- Frewena Field Trip Provides IOCG Proof of Concept (24 February 2020)
- Australian Projects Exploration Update (22 June 2020)
- Inca Awarded Co-Funding Grant for IOCG Exploration (17 July 2020)

These announcements describe the Company's activities at these projects and the main drivers for acquisition. They also describe our early-mover status in the East Tennant Area and describe the known large-scale (tier-1) targets that are considered highly prospective for IOCG mineralisation occurring within the project area.

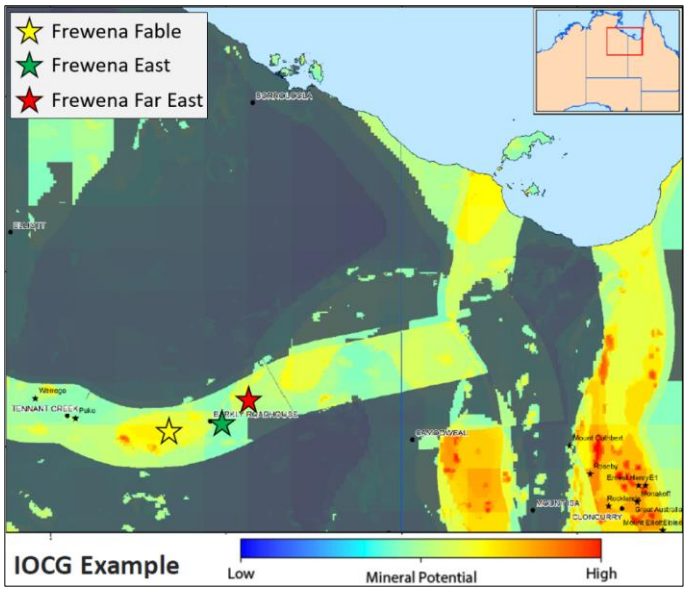

Figure 4 **LEFT:** Slide extract from GA and the NTGS presentation. IOCG mineral potential as modelled by GA and the NTGS. This figure first appeared in ASX announcement of 28 October 2019.

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The company intends unlocking the potential value of its Frewena Group Project through early stage exploration. We have already conducted successful proof of concept mapping and have identified iron-rich breccias – a characteristic component of IOCG systems (ASX announcement 24 February 2020) and we have already been awarded a co-funding grant from the Northern Territory Department of Primary Industry and Resources under its Geophysics and Drilling Collaborations Program to conduct a large airborne magnetic and radiometric (**AMAGRAD**) survey (ASX announcement 17 July 2020).

The Company has executed a service provider agreement for the AMAGRAD survey to commence before the end of the year. It will cover two areas totalling 1,182km^2 with line spacing of 50m 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.

For and on behalf of the Company.

Ross Brown
Managing Director
Inca Minerals Limited

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Competent Person's Statements

This report relates to non-Company media reports for the Frewena Group Project, located in Australia. Company comments in response are 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 non-Company media reports, 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.

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Appendix 1

The following information is provided to comply with the JORC Code (2012) exploration reporting requirements.

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria: Sampling techniques

JORC CODE Explanation

Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or hand-held XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.

Company Commentary

This announcement refers to certain media releases that include Government funded geophysical exploration results that border and extend onto the Company's projects. A photographic record of a previous sample and summary assay result is included in this announcement. No new sampling or assay results are referred to in this announcement.

JORC CODE Explanation

Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.

Company Commentary

N/A – No new sampling or assay results are referred to in this announcement.

JORC CODE Explanation

Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases, more explanation may be required, such as where there is a coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.

Company Commentary

N/A – No new sampling or assay results are referred to in this announcement.

Criteria: Drilling techniques

JORC CODE Explanation

Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).

Company Commentary

N/A - No drilling results are referred to in this announcement.

Criteria: Drill sample recovery

JORC CODE Explanation

Method of recording and assessing core and chip sample recoveries and results assessed.

Company Commentary

N/A - No drilling results are referred to in this announcement.

JORC CODE Explanation

Measures taken to maximise sample recovery and ensure representative nature of the samples.

Company Commentary

N/A - No drilling results are referred to in this announcement.

JORC CODE Explanation

Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.

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Company Commentary

N/A - No drilling results are referred to in this announcement.

Criteria: Logging

JORC CODE Explanation

Whether core and chip samples have been geologically and geo-technically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.

Company Commentary

N/A - No drilling results are referred to in this announcement.

JORC CODE Explanation

Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography

Company Commentary

N/A - No drilling results are referred to in this announcement.

JORC CODE Explanation

The total length and percentage of the relevant intersections logged.

Company Commentary

N/A - No drilling results are referred to in this announcement.

Criteria: Sub-sampling techniques and sample preparation

JORC CODE Explanation

If core, whether cut or sawn and whether quarter, half or all core taken.

Company Commentary

N/A - No drilling results are referred to in this announcement.

JORC CODE Explanation

If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.

Company Commentary

N/A - No drilling results are referred to in this announcement.

JORC CODE Explanation

For all sample types, the nature, quality and appropriateness of the sample preparation technique.

Company Commentary

N/A - No drilling results are referred to in this announcement.

JORC CODE Explanation

Quality control procedures adopted for all sub-sampling stages to maximise "representivity" of samples.

Company Commentary

N/A - No drilling results are referred to in this announcement.

JORC CODE Explanation

Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.

Company Commentary

N/A - No drilling results are referred to in this announcement.

JORC CODE Explanation

Whether sample sizes are appropriate to the grain size of the material being sampled.

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Company Commentary

N/A - No drilling results are referred to in this announcement.

Criteria: Quality of assay data and laboratory tests

JORC CODE Explanation

The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.

Company Commentary

N/A - No new assay results are referred to in this announcement.

JORC CODE Explanation

For geophysical tools, spectrometers, hand-held XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.

Company Commentary

N/A - No new assay results are referred to in this announcement.

JORC CODE Explanation

Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.

Company Commentary

N/A - No new assay results are referred to in this announcement.

Criteria: Verification of sampling and assaying

JORC CODE Explanation

The verification of significant intersections by either independent or alternative company personnel.

Company Commentary

N/A - No drilling results are referred to in this announcement.

JORC CODE Explanation

The use of twinned holes.

Company Commentary

N/A - No drilling results are referred to in this announcement.

JORC CODE Explanation

Documentation of primary data, data entry procedures, date verification, data storage (physical and electronic) protocols.

Company Commentary

N/A - No new assay results are referred to in this announcement.

JORC CODE Explanation

Discuss any adjustment to assay data.

Company Commentary

N/A - No new assay results are referred to in this announcement.

Criteria: Location of data points

JORC CODE Explanation

Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.

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Company Commentary

This announcement refers to certain media releases that include Government funded geophysical exploration results that border and extend onto the Company's projects. Location of Government geophysics data were obtained with reference to open file information in the relevant NT Mining Department databanks.

JORC CODE Explanation

Specification of the grid system used.

Company Commentary

GDA94, zone 53

JORC CODE Explanation

Quality and adequacy of topographic control.

Company Commentary

This announcement refers to certain media releases that include Government funded geophysical exploration results that border and extend onto the Company's projects. Location of Government geophysics data were obtained with reference to open file information in the relevant NT Mining Department databanks.

Criteria: Data spacing and distribution

JORC CODE Explanation

Data spacing for reporting of Exploration Results.

Company Commentary

N/A – No new sampling or assay results are referred to in this announcement.

JORC CODE Explanation

Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.

Company Commentary

N/A – No grade, grade continuity, Mineral Resource or Ore Reserve estimations are referred to in this announcement.

JORC CODE Explanation

Whether sample compositing has been applied.

Company Commentary

N/A – No new sampling or assay results are referred to in this announcement.

Criteria: Orientation of data in relation to geological structure

JORC CODE Explanation

Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.

Company Commentary

N/A – No new sampling or assay results are referred to in this announcement.

JORC CODE Explanation

If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.

Company Commentary

N/A – No drilling results, sampling or assay results are referred to in this announcement.

Criteria: Sample security

JORC CODE Explanation

The measures taken to ensure sample security.

Company Commentary

N/A – No new sampling or assay results are referred to in this announcement.

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Criteria: Audits and reviews

JORC CODE Explanation

The results of any audits or reviews of sampling techniques and data.

Company Commentary

No audits were required in relation to information subject of this announcement.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria: Mineral tenement and land tenure status

JORC CODE Explanation

Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.

Company Commentary

This announcement refers to certain media releases that include Government funded geophysical exploration results that border and extend onto the Company's tenements.

Tenement Type: For the Frewena Fable Project: Two Northern Territory Exploration Licences (EL): EL 31974 (granted) and EL 32287 (application). For the Frewena East Project: One Northern Territory EL: EL 32289. For the Frewena Far East Project: One Northern Territory EL: EL 32293.

Ownership: EL 31974 and EL 32287 (applications in the name of Inca, MRG, West) with MOU for Inca to acquire 90%. 1.5% NSR payable to MRG and West.

Ownership: EL 32289 (application in the name of Inca, MRG, West) with MOU for Inca to acquire 90%. 1.5% NSR payable to MRG and West.

Ownership: EL 32293 (application in the name of Inca, MRG, West) with MOU for Inca to acquire 90%. 1.5% NSR payable to MRG and West.

All other above-named tenements are currently applications, except for EL 31974 which is granted.

JORC CODE Explanation

The security of the land tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.

Company Commentary

The MOU's and all tenements and tenement applications are in good standing at the time of writing.

Criteria: Exploration done by other parties

JORC CODE Explanation

Acknowledgement and appraisal of exploration by other parties.

Company Commentary

This announcement refers to regional geophysical data collected by Geoscience Australia and the Northern Territory Geological Survey as recorded in Mines Department databanks which was reviewed by MRG Resources Pty Ltd (MRG).

Criteria: Geology

JORC CODE Explanation

Deposit type, geological setting and style of mineralisation.

Company Commentary

This announcement refers to certain media releases that include Government funded geophysical exploration results that border and extend onto the Company's projects. The geological setting falls within the Palaeozoic Georgina Basin that is regionally mapped as shales and limestones of varying thickness. Local geology, however, is inferred from radiometric and ASTER data to be dominated by outcropping or near surface granitic lithologies. These older granitic lithologies are considered prospective to host IOCG mineralisation.

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Criteria: Drill hole information

JORC CODE Explanation

A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:

- *Easting and northing of the drill hole collar*
- *Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar.*
- *Dip and azimuth of the hole.*
- *Down hole length and interception depth.*
- *Hole length.*

Company Commentary

N/A - No drilling results are referred to in this announcement.

JORC CODE Explanation

If the exclusion of this information is justified on the basis that the information is not material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.

Company Commentary

N/A - No drilling results are referred to in this announcement.

Criteria: Data aggregation methods

JORC CODE Explanation

In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations shown in detail

Company Commentary

N/A - No drilling results are referred to in this announcement.

JORC CODE Explanation

The assumptions used for any reporting of metal equivalent values should be clearly stated.

Company Commentary

N/A - No drilling results are referred to in this announcement.

Criteria: Relationship between mineralisation widths and intercept lengths

JORC CODE Explanation

These relationships are particularly important in the reporting of Exploration Results.

If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.

If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known.')

Company Commentary

N/A - No drilling results are referred to in this announcement.

Criteria: Diagrams

JORC CODE Explanation

Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not limited to a plan view of drill hole collar locations and appropriate sectional views

Company Commentary

This announcement refers to certain media releases that include Government funded geophysical exploration results that border and extend onto the Company's projects. Several diagrams are provided that shows the location of the Government geophysical results with respect to the Company projects.

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Criteria: Balanced reporting

JORC CODE Explanation

Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.

Company Commentary

The Company believes this ASX announcement provides a balanced report of the exploration results referred to in this announcement.

Criteria: Other substantive exploration data

JORC CODE Explanation

Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.

Company Commentary

This announcement makes reference to four previous ASX announcements made by the Company, 17 July 2020, 28 October 2019, 20 February 2020 and 24 February 2020.

Criteria: Further work

JORC CODE Explanation

The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).

Company Commentary

This announcement refers to certain media releases that include Government funded geophysical exploration results that border and extend onto the Company's projects. Exploration work conducted by the Company is necessary to progress the understanding of the economic potential of these projects.

JORC CODE Explanation

Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.

Company Commentary

Refer above.

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