



17 February 2020

RIQUEZA PROJECT FEBRUARY UPDATE**IN THIS ANNOUNCEMENT**

- *Status of Inca-South32 work program*
- *Previously reported exploration programs summary*
- *Induced Polarisation Geophysical survey program update*
- *Key words and ASX JORC 2012 compliance tables – Appendix 1*

HIGHLIGHTS

- Induced Polarisation/Resistivity Ground Geophysical Survey (**IP Survey**) is progressing at Riqueza
- IP Survey is anticipated to be completed by mid-April

Inca Minerals Limited's (**Inca** or the **Company**) wishes to update the market regarding its Riqueza Project, located in Peru. An Induced Polarisation/Resistivity Ground Geophysical Survey (**IP Survey**) has commenced at Riqueza and is approximately 20% complete. The survey is targeting areas considered most prospective for hosting skarn and/or porphyry mineralisation. The IP Survey targets were selected on the basis of favourable geochemistry, broad geology and the occurrence of mineralisation/alteration, as determined in past exploration programs.

Summary of Inca-South32 Year-1 Exploration Campaign To Date (Previously Reported)

The following, previously reported, programs have been completed at Riqueza as part of the Year-1 Earn-in Agreement with South32:

- Airborne magnetics and radiometrics geophysical survey (pre-Earn-in Agreement). This program identified +40 geophysical targets, including 22 priority targets.
- Expert reconnaissance geological mapping. This program identified an intermediate sulphidation epithermal system at Riqueza.
- Project-wide geochemical soil program. This program identified several important geochemical signatures illustrative of *intermediate sulphidation epithermal, porphyry and skarn mineralisation*.
- WorldView3 satellite program. This program identified several visible and near-infrared spectrum anomalies.

The following ongoing programs are current at Riqueza (that which is completed, has been reported):

- Reconnaissance mapping and rockchip sampling program. To date, multiple occurrences of mineralisation have been identified in outcrop at Riqueza.
- Air-magnetic 3D data modelling. To date, this program has identified several large unexplained magnetic bodies.

Important IP Survey Commences

Each program described above has contributed significantly to the exploration evaluation of Riqueza, the net result of which is the identification of high-quality targets across the project area. Several of these targets were identified for IP Survey coverage. In January 2020, a 53 line-kilometre IP Survey commenced at Riqueza. At the time of writing, approximately 20% of this survey is complete. No detailed analysis or interpreted results are currently available.



“The IP Survey is currently focussing on the Yanacolipa area (Figure 1) where the majority of the priority 1 lines are located” says Inca’s Managing Director, Mr Ross Brown. “The Yanacolipa area is prospective for skarn and porphyry mineralisation.”

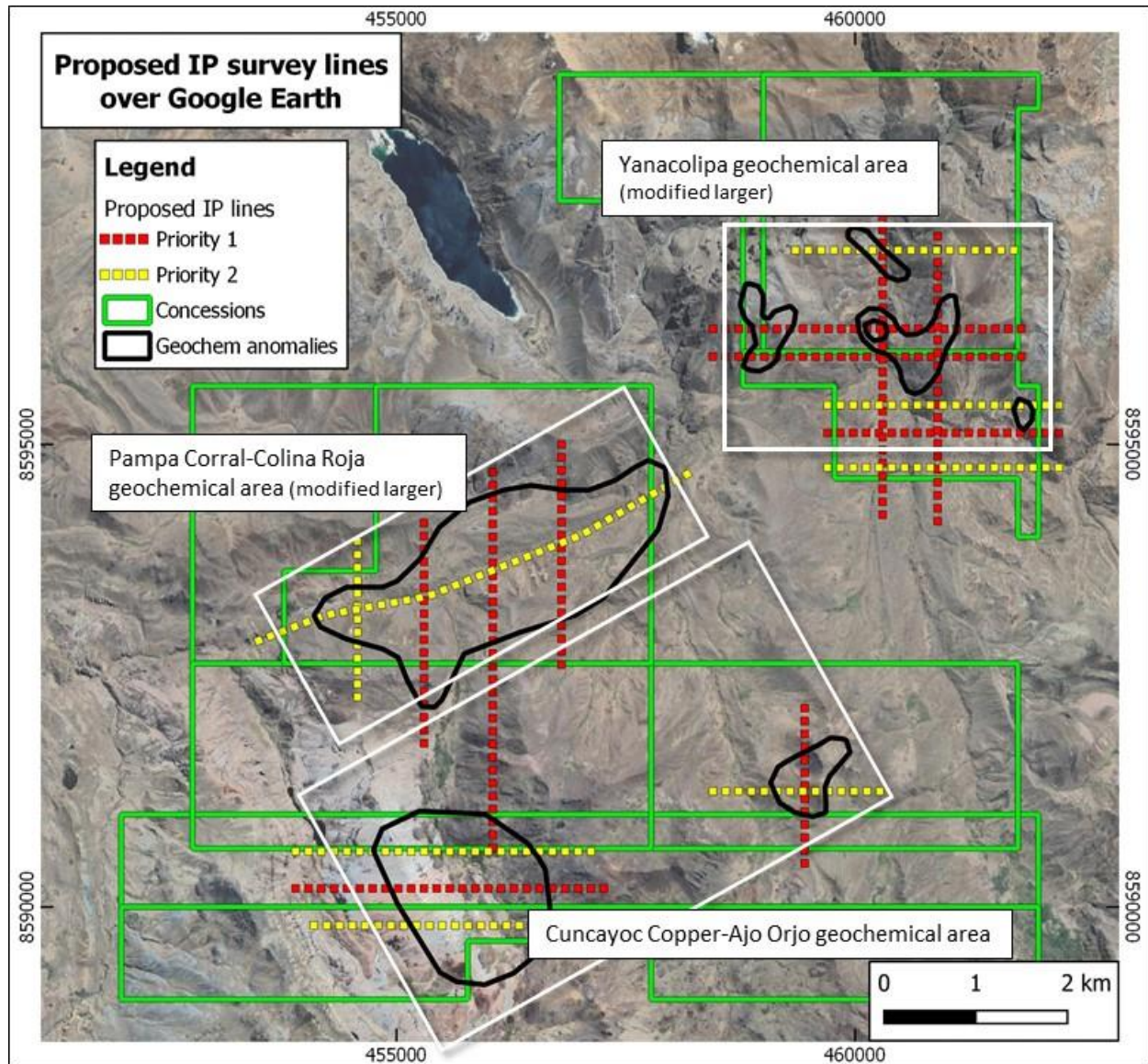


Figure 1 **ABOVE:** Coverage of the IP Survey. Three large areas are targeted, the Yanacolipa geochemical area, the Pampa Corral-Colina Roja geochemical area and the Cuncayoc Copper-Ajo Orjo geochemical area. The two NS lines at Yanacolipa have been completed and the survey is now switching to the EW lines in the same area.

The IP survey is expected to be completed by mid-April. Please be aware that progress of the survey is a function of the weather conditions and an accurate completion date is not possible. Data processing is ongoing. Please also be aware that final interpretations will only be available towards the back end the survey completion date.

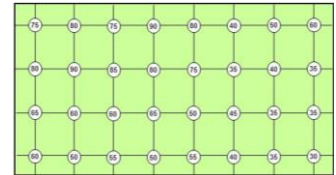


Competent Person Statement

The information in this report that relates to exploration results and mineralisation for the Riqueza project area located in Peru, 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, 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.

Selected Key Words Used in this Announcement (order of appearance and cross reference)

<u>Soil Sampling</u>	An exploration method to obtain <u>geochemical</u> data from the [upper] soil profile. This program type is often deployed over a grid, <u>grid sampling</u> , which may cover very large areas or very small area. It is usually deployed over targets relatively well defined.
<u>Grid Sampling</u>	A method of sampling whereby samples (typically soil samples) are taken from a prescribed grid-location often orientated to the cardinal points NS-EW. The grid spacing is arbitrary but can be from 10m to 10km depending on the purpose and survey area.
<u>Geochemistry(-ical)</u>	The study of the distribution and amounts of the chemical elements in minerals, ores, rocks, soils, water and the atmosphere.
<u>Geophysics(-ical)</u>	An exploration method using instruments to collect and analyse properties as magnetics, radioactivity, gravity, electronic conductivity, etc. Instruments can be located on surface (ground survey) or above the ground (<u>airborne</u> survey).
<u>Airborne</u>	Said of a <u>geophysical</u> survey in which the <u>geophysical</u> tool is above the ground.
<u>Magnetic 3D</u>	A desk-top (computer-based) examination of magnetic data to produce three dimensional shapes to represent a magnetic feature/body.
<u>Modelling</u>	
<u>Porphyry (Deposit)</u>	A type of <u>deposit</u> containing ore-forming minerals occurring as disseminations and veinlets in a large volume of rock. The rock is typically porphyritic (a texture of large crystals in a fine groundmass). Porphyry <u>deposits</u> are economically very significant.
<u>Mineralisation</u>	A general term describing the process or processes by which a mineral or minerals are introduced into a rock (or geological feature such as a <u>vein</u> , fault, etc...). In the strictest sense, <u>mineralisation</u> does not necessarily involve a process or processes involving <u>ore-forming minerals</u> . Nevertheless, <u>mineralisation</u> is very commonly used to describe a process or processes in which <u>ore-forming minerals</u> are introduced into a rock at concentrations that are economically valuable or potentially valuable.
<u>Ore-forming Minerals</u>	Minerals which are economically desirable.
<u>Deposit</u>	A [mineral] <u>deposit</u> is a naturally occurring accumulation or concentration of metals or minerals of sufficient size and concentration that might, under favourable circumstances, have economic value (Geoscience Australia). It is not a defined term in the JORC Code 2012 for Australasian Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012).
<u>Reconnaissance Sampling</u>	Refers to very early-stage, in some cases, first-pass, [often rock] sampling recording location, rock type, <u>structure</u> , <u>alteration</u> and <u>mineralisation</u> (if present).



**Selected Key Words Used in this Announcement (order of appearance and cross reference) cont.**

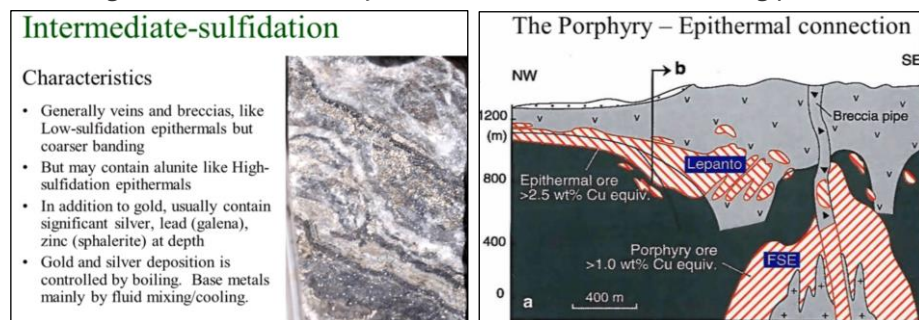
Radiometric Survey Or gamma-ray spectrometric survey measures concentrations of radio-elements potassium (K), uranium (U) and thorium (Th), specifically the gamma rays emitted by isotopes of these elements. All rocks and soils contain radioactive isotopes and almost all gamma-rays detected at surface are the result of radioactive decay of K, U and Th. Radiometrics is therefore capable of directly detecting potassic alteration which is associated with hydrothermal processing and formation of deposits.

Intermediate Please refer below, from Andrew Jackson (Sprott International).

Epithermal Said of hydrothermal processes occurring at temperatures ranging from 50°C to 200°C, and within 1,000m of the Earth's surface.

Hydrothermal Pertaining to "hot water" usually used in the context of ore-forming processes.

Sulphidation (IS)



Porphyry (Deposit) A type of deposit containing ore-forming minerals occurring as disseminations and veinlets in a large volume of rock. The rock is typically porphyritic (a texture of large crystals in a fine groundmass). Porphyry Deposits are economically very significant.

Skarn (Deposit) A type of deposit that forms as a result of alteration which occurs when hydrothermal fluids interact either igneous or sedimentary rocks. In many cases, skarns are associated with the intrusion of granitic rocks, especially Porphyry intrusions, in and around faults that intrude into a limestone.

IOCG (Deposit) A type of deposit containing ore-forming minerals occurring as disseminations and veinlets in a large volume of rock. The rock is typically iron rich (a distinction from porphyry deposits). IOCG deposits are economically very significant.

Structure A very broad and widely used geological term but used at Riqueza to mean a large linear feature either a geological fault or a lineament.

Fault A surface or zone of rock fracture along which there has been displacement.

Vein A tabular or sheet-like form of mineralisation, often resulting from in-filling a vertical or near-vertical fracture. They often cut across Country Rock.

Country Rock Rock that encloses or is cut by mineralisation. And more broadly, rock that makes up the geology of an area.



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 the commencement of an Induced Polarisation and Resistivity ground geophysical survey. No sampling or assay results of sampling 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

No sampling or assay results of sampling 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

No sampling or assay results of sampling 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

No drilling or 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

No drilling or 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

No drilling or 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.

Company Commentary

No drilling or 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

No drilling or 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

No drilling or drilling results are referred to in this announcement.

JORC CODE Explanation

The total length and percentage of the relevant intersections logged.

Company Commentary

No drilling or 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

No drilling or 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

No drilling or 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

No sampling or assay results of sampling 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

No sampling or assay results of sampling 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

No sampling or assay results of sampling are referred to in this announcement.

JORC CODE Explanation

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

Company Commentary

No sampling or assay results of sampling 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

No 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

No 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

No 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

No assay results are referred to in this announcement.

JORC CODE Explanation

The use of twinned holes.

Company Commentary

No assay results are referred to in this announcement.

JORC CODE Explanation

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

Company Commentary

This announcement refers to the commencement of an Induced Polarisation and Resistivity ground geophysical survey. No data or results of data interpretation are provided in this announcement.

JORC CODE Explanation

Discuss any adjustment to assay data.

Company Commentary

No 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.

Company Commentary

This announcement refers to the commencement of an Induced Polarisation and Resistivity ground geophysical survey. No data or results of data interpretation are provided in this announcement that relate to Mineral Resource estimations.

JORC CODE Explanation

Specification of the National grid system used.

Company Commentary

This announcement refers to the commencement of an Induced Polarisation ground geophysical survey. The survey is being conducted on a grid based on WGS84-18L.

JORC CODE Explanation

Quality and adequacy of topographic control.

Company Commentary

Topographic control of the Induced Polarisation and Resistivity ground geophysical survey is achieved via the use of government topographic maps, in association with GPS and Digital Terrain Maps (DTM's), the latter generated during antecedent detailed geophysical surveys, and GPS systems.

Criteria: Data spacing and distribution

JORC CODE Explanation

Data spacing for reporting of Exploration Results.

Company Commentary

This announcement refers to the commencement of an Induced Polarisation and Resistivity ground geophysical survey. The design (coverage) of the survey is considered appropriate for the method and targeted mineralisation.

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

No 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

No sample compositing was applied in the generation of the 1,286 samples.

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

This announcement refers to the commencement of an Induced Polarisation and Resistivity ground geophysical survey. The design (coverage) of the survey is considered appropriate for the targeted mineralisation, including its orientation and depth.

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**

No drilling results are referred to in this announcement.

Criteria: Sample security**JORC CODE Explanation**

The measures taken to ensure sample security.

Company Commentary

No sampling or assay results of sampling are referred to in this announcement.

Criteria: Audits and reviews**JORC CODE Explanation**

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

Company Commentary

No sampling or assay results of sampling are referred to in 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

Tenement Type: The Riqueza Project area comprises nine Peruvian mining concessions: Nueva Santa Rita, Antacocha I, Antacocha II, Rita Maria, Maihuasi, Uchpanga, Uchpanga II, Uchpanga III and Picuy.

Nueva Santa Rita ownership: The Company has a 5-year concession transfer option and assignment agreement (“**Agreement**”) whereby the Company may earn 100% outright ownership of the concession.

All other above-named concessions: The Company has direct 100% ownership.

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 Agreement and all concessions 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 does not refer to exploration conducted by previous parties.

Criteria: Geology**JORC CODE Explanation**

Deposit type, geological setting and style of mineralisation.

Company Commentary

The geological setting of the area is that of a gently SW dipping sequence of Cretaceous limestones, Tertiary “red-beds” and volcanics on a western limb of a NW-SE trending anticline; subsequently affected by an intrusive rhyolite volcanic dome believed responsible for a series of near vertical large scale structures and multiple and pervasive zones of epithermal related Au-Cu-Ag-Mn-Zn-Pb mineralisation.

**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

No drilling or 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

No drilling or 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

No sampling or assay 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

No metal equivalents 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

No mineralisation widths and intercept lengths 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

A plan showing the IP survey coverage is provided in this announcement.



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 status of the IP survey.

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 no reference to previous ASX announcements.

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 the commencement of an IP and Resistivity survey. By the nature of this exploration work, further work is necessary to progress the understanding of the project.

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

A plan showing the IP survey coverage is provided in this announcement.
